
flex
CDP Climate Change Questionnaire 2022
CDP
DISCLOSURE INSIGHT ACTION

CDP Climate Change 2022

Contents

C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.

Flex is the manufacturing partner of choice that helps a diverse customer base design and build products that improve the world. Through the collective strength of a global workforce across 30 countries and responsible, sustainable operations, Flex delivers technology innovation, supply chain and manufacturing solutions to diverse industries and end markets.

At Flex, our vision is to become the most trusted global technology, supply chain and manufacturing partner to improve the world. Sustainability, including environmental, social and governance (ESG), is a cornerstone of making that vision a reality and deeply embedded in our manufacturing practices and processes. Our long-term strategy, purpose statement, vision, mission and values reinforce our duty to positively contribute to the world from designing and building our customers' products to continuously improving our day-to-day operations.

Our advancement of sustainability includes aligning efforts with global initiatives to ensure progress across our footprint and beyond our walls. We align our sustainability strategy and initiatives with several global frameworks including the Global Reporting Initiative (GRI), United Nations (UN) Sustainable Development Goals (SDGs) and the UN Global Compact (UNGC), which we have been a member of since 2018 and reached the advanced level for the second consecutive year in 2021.

The value we bring and the progress make toward a more sustainable future is enabled by the 160,000 employees, who are at the heart of our operations and committed to doing the right thing always for our customers, suppliers, investors and communities. Our 2030 sustainability strategy and goals reflect our commitments to sustainable development across a framework focusing on our world, our people, and our approach to business practices. Our strategy, framework and commitments focus on reducing environmental impact, investing in communities, advancing a safe, inclusive and respectful work environment for all, partnering with customers and suppliers to help mitigate value chain emissions and driving ethical and ESG-focused practices with strong transparency.

Our sustainability efforts have gained recognition from leading organizations including the Manufacturing Leadership Awards, Responsible Business Alliance and CDP, among others. In 2021, we were recognized as a CDP Supplier Engagement Leader for measuring and limiting greenhouse gas emissions across our supply chain. This honor, a company first, places Flex in the top eight percent of companies that disclosed to CDP's full climate questionnaire. We were also recognized by third-party rankings such as achieving the EcoVadis "Platinum Recognition Level," remaining on CDP's prestigious A list for water security and maintaining an A- for climate change in 2021. We earned the highest disclosure and transparency score on ESG factors, recognized by the Institutional Shareholder Services Inc. (ISS). We maintained our status as a constituent of the FTSE4Good Index for the sixth consecutive year and qualified for inclusion in the S&P's Sustainability Yearbook for the third year in a row.

As we continue working toward our 2030 sustainability strategy, we remain focused on operating responsibly, meeting the needs of all stakeholders and driving meaningful progress for the planet along with our employees, customers, partners and many communities globally.

Note: In 2021, Nextracker is a fully owned Flex company. This reporting cycle is the first time Nextracker is responding to CDP. Nextracker has been incorporated into Flex Ltd.'s CDP responses in years prior and the data disclosed here is also reported under Flex's emissions data for 2021.

C0.2

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

	Start date	End date	Indicate if you are providing emissions data for past reporting years	Select the number of past reporting years you will be providing emissions data for
Reporting year	January 1 2021	December 31 2021	Yes	2 years

C0.3

(C0.3) Select the countries/areas in which you operate.

China
Malaysia
Mexico
United States of America

C0.4

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

USD

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.

Operational control

C0.8

(C0.8) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

Indicate whether you are able to provide a unique identifier for your organization	Provide your unique identifier
Yes, a Ticker symbol	NASDAQ: FLEX

C1. Governance

C1.1

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

Yes

C1.1a

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

Position of individual(s)	Please explain
Board-level committee	Ultimate responsibility for climate-related issues resides with the Nominating and Governance Committee (NGC) of our board of directors. The charter for the NGC is responsible for shaping and overseeing the application of the company's environmental, social, and corporate governance policies and procedures and is best positioned to oversee Flex's sustainability program, including climate-related risks and opportunities. The committee's responsibilities, among other activities, include: (1) review and revise, as necessary, Flex's corporate governance procedures and policies, responsibility and sustainability policies and programs, (2) review and assess current and emerging environmental, social, and corporate governance issues, trends, regulatory developments, and best practices, and (3) monitor assessments of Flex's governance and applicable proxy advisory services policies and reports. The committee reports on these efforts and updates to the board of directors every 6 months. Our board conducts an annual strategic review in which climate-related risks and opportunities are highlighted and directional initiatives are approved, e.g. increases in our onsite solar power capacity and generation. The Board of Directors made the following climate-related decisions in 2021: 1. In FY21, the Board announced its long-term sustainability plan, approving the following targets, which were publicly announced in 2021: • Reduce absolute Scope 1 and 2 GHG emissions 50% by 2030 from a 2019 base year • Commit that 50% of its preferred suppliers to set GHG emissions reduction targets by 2025, and 100% by 2030 • Commit that 70% of customers by emissions covering purchased goods and services, capital goods and use of sold products to set science-based targets by 2025 • Achieve zero waste in 50% of its manufacturing & logistics sites by 2025 • Reduce water withdrawn by 5%, focusing on sites located in water scarce areas, by 2025 With this announcement, Flex officially joined the Science Based Target Initiative by adopting GHG emissions reduction targets necessary to meet the Paris Agreement goals.

C1.1b

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

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Scope of board-level oversight	Please explain
Scheduled – some meetings	Reviewing and guiding strategy Reviewing and guiding major plans of action Reviewing and guiding business plans Monitoring implementation and performance of objectives Overseeing major capital expenditures, acquisitions and divestitures Monitoring and overseeing progress against goals and targets for addressing climate-related issues	<Not Applicable>	The Nominating and Governance Committee of our board of directors assists in fulfilling oversight of environmental, social, and corporate affairs that may have a significant impact on the financial statements and related company compliance policies and programs. This includes the responsibility to assess climate-related sustainability risks and opportunities, including: (1) review and revision of the corporate governance procedures and policies, (2) review of corporate responsibility and sustainability policies and programs, (3) review and assessment of current and emerging environmental, social, and corporate governance issues, trends, regulatory developments, and best practices. The Board of Directors conducts an annual strategic sustainability review in which climate-related risks and opportunities are highlighted and directional initiatives are approved, e.g., increases in our onsite solar power capacity and generation. At the operational level, our greenhouse gas (GHG) inventory and reduction program is overseen by an Executive Leadership Team (ELT) comprised of the Chief Financial Officer, Chief Human Resources Officer, General Counsel, Operations President, VP of Strategy, the Executive Vice President of Strategic Programs and Asset Management (including real estate and facilities), VP of Marketing, Communications and Sustainability and Head of Global Sustainability. The Sustainability Program Management Officer (PMO) has been designated to lead the ELT and coordinates all related meetings, agreements, negotiations, and tasks. The ELT is responsible for prioritizing climate-related risks and opportunities and highlighting them to the appropriate business functions. Progress towards our GHG reduction goal is reviewed regularly by the ELT and periodically with the CFO and the Executive Committee. Flex's corporate sustainability leadership committee holds quarterly meetings and conducts sustainability scorecard reviews to assess progress on key sustainability indicators and targets by program, region and site. In addition, the team conducts periodic reviews of key issue areas, including key performance indicators, e.g., environmental, health and safety are reviewed quarterly with senior management and every month with the Sustainability site leaders.

C1.1d

(C1.1d) Does your organization have at least one board member with competence on climate-related issues?

	Board member(s) have competence on climate-related issues	Criteria used to assess competence of board member(s) on climate-related issues	Primary reason for no board-level competence on climate-related issues	Explain why your organization does not have at least one board member with competence on climate-related issues and any plans to address board-level competence in the future
Row 1	Yes	Given our commitment to sustainability, we recognize the importance of a strong foundation of sustainability governance. Our Board of Directors engages in an annual review of Flex's sustainability program including our ESG efforts and participates in an annual ESG director education session. Our Nominating and Governance Committee oversees Flex's sustainability risks and remediation efforts, including the Company's corporate responsibility and sustainability policies and programs with respect to human rights, climate change, and social and environmental risks. Our executive management team receives regular sustainability updates. In addition, we have a Corporate Sustainability Leadership Committee, a multidisciplinary group composed of global leaders throughout the Company who represent the key functional areas with responsibility for sustainability efforts, including operations, human resources, supply chain, regulatory compliance, account management, and communications. This committee meets quarterly to share information with people across various teams within Flex who are directly responsible for implementing and managing sustainability initiatives.	<Not Applicable>	<Not Applicable>

C1.2

(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

Name of the position(s) and/or committee(s)	Reporting line	Responsibility	Coverage of responsibility	Frequency of reporting to the board on climate-related issues
Chief Executive Officer (CEO)	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	Quarterly
Chief Financial Officer (CFO)	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	Quarterly
Other, please specify (General Counsel)	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	Quarterly
Other, please specify (Business Units Presidents)	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	Quarterly
Other, please specify (Vice President, Strategy)	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	Quarterly
Other, please specify (VP Security + Brand Protection)	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	Quarterly
Other, please specify (VP of Audit + Risk Management)	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	Quarterly
Other, please specify (VP of Marketing, Communications and Sustainability)	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	Quarterly
Other, please specify (VP of Corporate Real Estate+Facilities)	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	Quarterly
Other, please specify (Executive Sponsor Group (ES))	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	Quarterly
Other, please specify (Head of Global Sustainability)	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	Half-yearly
Other, please specify (General Manager (GM))	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	Quarterly

C1.2a

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

Ultimate responsibility for climate-related issues resides with the Nominating and Governance Committee of our Board of Directors and the Chief Executive Officer who is responsible for progress towards and achievement of the highest level of ethics, compliance, and commitment to Environment, Social, and Governance. Below board-level, the Executive Leadership Team (ELT) is the highest management level committee responsible for climate-related issues, including our GHG inventory and reduction program. The ELT is a cross-functional group of senior executives comprised of the Chief Financial Officer, Chief Human Resources Officer, General Counsel, Operations President, VP of Strategy, the Executive Vice President of Strategic Programs and Asset Management (including real estate and facilities), VP of Marketing, Communications and Sustainability and Head of Global Sustainability. The responsibilities for climate-related issues on a strategic level have been assigned to the ELT, who reports to the CEO, as it is best positioned to provide guidance and direction on the integration of sustainability programs, including climate-related matters, across all aspects of our business.

Last year we sunset our 20 by 2020 goals that were aligned to the UN's Sustainable Development Goals (SDGs) that reflected our commitment to the highest sustainability standards across our operations and supply chain in 2015, successfully decreased Flex's CO2e emissions, water consumption, and cost of electricity while increasing the use of renewable energy, % of recycled water, and the number of powered homes equivalent. Continuing our purpose-driven journey, we've set new sustainability goals through 2030 against a refreshed framework. We have committed to reducing absolute Scope 1 and 2 GHG emissions by 50% by 2030, achieving zero waste in 50% of our manufacturing and logistics sites by 2025, and reducing water withdrawn by 5% by 2025. This ambitious 2030 strategy was publicly announced in 2021, with our goals on GHG emissions and customer science-based targets being approved by the Science Based Target initiative.

The responsibilities for climate-related issues in operations have been assigned to the Sustainability team because it is a cross-functional team comprised of a global director and regional leads overseeing operations, supply chain, regulatory compliance, metrics and communications. Sustainability is responsible for coordinating with Corporate Real Estate and Facilities (CREF) to set the overall carbon strategy and implementing energy efficiency and carbon reduction initiatives through our global operations. Progress towards our emissions reduction goal is reviewed regularly by Sustainability in consultation with our CREF and periodically with the CFO and the ELT. Sustainability holds semi-annual meetings to share information across various business groups directly responsible for implementing our sustainability initiatives. Sustainability develops corporate standards and tools, monitors performance, captures customer environmental, social and governance requirements. Sustainability also supports implementation of our social and environmental management system used to identify, address, mitigate, and control site-level risks, including climate-related risks. Sustainability plans and executes strategies in accordance with our social and environmental management requirements. Flex's approach for managing sustainability issues includes:

· Conducting corporate audits to identify key areas of improvement; results are shared with our board of directors on a regular basis

· Leveraging our sustainability metrics system to monitor company compliance and performance at the global, regional and local levels

· Participating in industry and sustainability organizations and communicating regularly with stakeholders to identify relevant or emerging sustainability topics and concerns.

Sustainability matters including climate-related risks and opportunities at a facility level are overseen by sustainability teams led by site general managers (GMs) because they have full visibility into manufacturing facilities and logistics sites and are in the best position to implement site-specific plans, including climate-related projects. These teams are responsible for the implementation of our sustainability management system, creating and implementing site-specific plans, and report monthly to the corporate sustainability team as well as to senior operations management. The team also conducts periodic reviews of key issue areas, including KPIs; environmental, health and safety are reviewed quarterly with senior management.

C1.3

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

	Provide incentives for the management of climate-related issues	Comment
Row 1	Yes	Flex provides monetary and non-monetary incentives for energy and emissions reduction projects, as well as recognition for reducing emissions through initiatives and challenges.

C1.3a

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

Entitled to incentive	Type of incentive	Activity incentivized	Comment
Chief Operating Officer (COO)	Monetary reward	Emissions reduction target	The COO, also known as the Operations Group President, oversees the organization's Strategic Programs and Asset Management efforts. Responsibilities encompass leading energy and GHG emissions reduction target actions, including measuring and assessing global related programs, projects, and targets. The success of these efforts' correlates to bonus compensation.
Other, please specify (Executive Vice President of Strategic Programs and Asset Management)	Monetary reward	Emissions reduction target	Environmental management, including achieving energy and GHG reduction targets, falls under the Executive Vice President of Strategic Programs and Asset Management, who reports to the Operations Group President. Annual performance reviews measure and assess accomplishments in global related programs, projects, and targets. The annual merit process is based on annual performance reviews. Energy and GHG reductions are objectives and thus figure into bonus compensation.
Corporate executive team	Monetary reward	Emissions reduction project	The Corporate Sustainability Team oversees sustainability strategy, reporting, and disclosure efforts. Performance bonuses are tied to the achievement of sustainability-related emissions reduction projects.
Chief Procurement Officer (CPO)	Monetary reward	Supply chain engagement	The CPO performance bonuses are tied to the achievement of sustainability related emissions reduction projects.
Chief Executive Officer (CEO)	Non-monetary reward	Other (please specify) (Achievement of sustainability strategy)	The Chief Executive Officer is rewarded based on the progress towards and achievement of the highest level of ethics, compliance, and commitment to Environment, Social, and Governance (ESG). This includes (1) updating and relaunching the sustainability strategy, and (2) the implementation of sustainability targets and goals, including operational energy efficiency. This is measured through the Sustainability, Ethics and Compliance Scorecards. Energy has been identified as a material issue for Flex, and our sustainability strategy performance monitoring process has the objective to ensure that our direct operations work towards achieving higher energy efficiency through renewable energy purchases and energy conservation initiatives.
Environmental, health, and safety manager	Non-monetary reward	Emissions reduction project	• Meeting emission reduction and energy spending targets • Energy savings/Cost reductions
Facilities manager	Non-monetary reward	Emissions reduction target	• Meeting emission reduction targets • Sustainability Best Initiatives – Environment Category (climate change efforts) • Energy savings/Cost reductions
All employees	Non-monetary reward	Other (please specify) (Best Practices Recognition)	• Meeting emission reduction targets • Sustainability Best Initiatives – Environment Category (climate change efforts) • Energy savings/Cost reductions
Other, please specify (Project Lead + team–Earth Day Challenge)	Non-monetary reward	Other (please specify) (Earth Day Challenge Recognition)	• Contribution to 2030 Environment Targets, SDGs, and SBTi • Recognition kit (Flex branded items) to winners (1 per region)

C2. Risks and opportunities

C2.1

(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?

Yes

C2.1a

(C2.1a) How does your organization define short-, medium- and long-term time horizons?

	From (years)	To (years)	Comment
Short-term	3	5	Our goals to date have primarily been short-term goals. This is also the time horizon used in our company strategy.
Medium-term	5	10	Recently announced 2030 sustainability goals follow this time horizon, to initiate longer-term efforts than before. Some of our customer partnerships have a medium-term planning horizon. In addition, human resources and real estate planning are also evaluated over a medium-term horizon.
Long-term	10	25	From a research and projections standpoint, we use a long-term planning horizon.

C2.1b

(C2.1b) How does your organization define substantive financial or strategic impact on your business?

We evaluate risks based on their potential impact to our operations and likelihood of occurrence. For example, severe weather events may impact our factories and cause substantive losses due to business interruption and facility damage. For CDP reporting purposes, we define a substantive financial impact as one that could create a $15M to $25M charge to our statement of operations, resulting in three to five pennies per share negative impact. We estimate our financial impact using a quantifiable indicator of a one penny loss in earnings per share for every five million USD loss incurred, meaning that any event that incrementally costs the company up to five million USD would result in a loss of one penny per share. Extreme climate-related events with the potential to disrupt our business operations, such as severe storms or flooding, would also affect our ability to provide reliable customer service, could delay our product delivery, and impact our customers' business continuity, resulting in additional reputational impacts that we are unable to quantify currently.

C2.2

C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

Value chain stage(s) covered
Direct operations
Upstream
Downstream

Risk management process
Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment
More than once a year

Time horizon(s) covered
Short-term
Medium-term
Long-term

Description of process
Our facilities include a network of design, engineering, manufacturing, and logistics in 30 countries, across 100 locations. Our worldwide supply chain embraces 16,000 direct, indirect and vertically integrated suppliers, most of whom are controlled by our customers. Our company-wide risk identification and assessment process includes the following potential climate-related risks: current and emerging regulatory requirements; new customer requirements; interrupted supply of energy, raw materials or components; brand/reputation; and potential business interruption or facility damage, including those from frequent and/or extreme weather events.

Flex identifies, assesses, and determines risks with a substantive financial impact through company-wide processes, e.g. annual materiality assessments and operational and supply chain risk assessments. For CDP purposes, we define a substantive financial impact as one that could create a $15M charge to our statement of operations, resulting in a 3 to 5 penny per share negative impact. To determine which sustainability topics are most relevant to our business, in our materiality assessment, we identify topics with the greatest influence for stakeholders, analyze feasibility of impact on stakeholders, and filter topics by geography and functional areas. Our stakeholders include employees, customers, shareholders, potential investors, suppliers, subcontractors, governments/regulatory agencies, unions, non-profits, industry associations. In 2021, emissions reduction and management, energy sourcing and consumption, and waste management were identified as material issues for our business.

To evaluate climate-related transitional risks and opportunities, our sustainability team monitors changes in global climate regulations and evaluates applicability and relevance to our operations. The sustainability team and an in-house legal counsel use web-based and in-person methods to identify, analyze, and respond to relevant climate-related risks. Our Sustainability team identifies customer environmental requirements and analyzes the impact of such requirements and agreements. The Sustainability team regularly engages in dialogue with industry workgroups, trade associations, and other forums as part of our risk identification process.

To evaluate site-level climate-related risks and opportunities, our Sustainability team engages with the Corporate Real Estate and Facilities team which ensures that resources are in place to mitigate potential risks at the regional and site level in all locations where we operate. To identify and evaluate site-level risks from physical climate-related impacts, we conduct resilience assessments across our facilities, and develop scorecards. Our facilities globally are required to adopt and implement our social and environmental management systems, to methodically identify, address, mitigate, and control site-level risks. All sites are audited against the Responsible Business Alliance (RBA) audit protocol, including climate-related controls, and they have emergency and business continuity plans in place.

To identify and assess our suppliers' climate-related risk exposure, we monitor compliance with our sustainability standards. We require our suppliers to have a management system in place to ensure the continuity and effectiveness of their social and environmental activities and to mitigate potential risks. Through supplier training sessions, onsite audits, screenings, and self-assessment questionnaires, we identify potential risks and flag sites for compliance audits.

Results from Sustainability and EHS Regional Leads, operational and supply chain assessments are reported monthly to the Head of Global Sustainability. Key risks identified are flagged and prioritized for mitigation based on impact and likelihood. Top risks are reported to the Executive Leadership Team and the Nominating and Governance Committee of our board of directors for further evaluation and mitigation.

Transition case study: We are increasingly identifying and capitalizing on opportunities related to higher demand for energy-efficient products and services. We prioritize such opportunities through materiality assessments and evaluation processes that align with Flex sustainability goals and commitments around carbon reduction, the potential to deliver other climate related benefits. For example, by understanding key climate-related issues important to our customers, in FY21, we launched our CO2 (ECO2) calculator for customers to measure embedded carbon in their products and prioritize carbon reduction actions. Our CO2 (ECO2) calculator has enabled our customers to (1) understand the CO2, water and energy embedded in products, (2) conduct scenario and comparative analysis, (3) measure CO2e impacts and reductions from mitigation activities, (4) identify carbon hotspots, (5) plan carbon budgeting, and (6) develop a pathway towards Net Zero carbon impacts. Flex is aiming to be the top global provider of circular economy solutions via the repair, refurbishment, and recycling of products. The business opportunity associated with the development of tool-based solutions, such as the CO2 calculator, values at more than $150 million. In 2020, we launched a company-wide training program educating our employees in circular economy and sustainability. Flex ECO2™ helped a large lifestyle customer save $1 million and 150 tonnes of CO2 through reverse logistics like repair analysis and refurbishment, resulting in a 10% residual value increase from refurbishment and ownership of after-market.

Physical risk case study: We are examining exposure of our key assets and operations to physical climate-related risks, to reduce the possibility of loss of insured property. COVID-19 impacted our postponed our assessment calendar, however we were able to resume limited assessments throughout 2021. By conducting third-party site visits and using a resilience assessment tool, we conducted a risk assessment at one of our key sites in Suzhou in 2020. This site was included in the assessment because it provides critical manufacturing activities. Any delay in our product delivery will affect business operations of our customers, leading to financial and reputational impacts. The resilience assessment examined the potential exposure of the site to climate-related natural hazards, fire, as well as equipment and occupancy hazards. We review forecasts and plans quarterly to identify potential site-level risk mitigation projects, and we review project investment opportunities monthly. At all our sites, we maintain business recovery plans and insurance coverage with multiple carriers in numerous jurisdictions. Global sites are required to adopt and implement our social and environmental management systems, to methodically identify, address, mitigate, and control site-level risks. All sites are audited against the RBA audit protocol, including climate-related controls.

C2.2a

(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?

	Relevance & inclusion	Please explain

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	Current regulation is deemed relevant and is always included in our climate-related risk assessment, because our network of design, engineering, manufacturing, and logistics facilities spans multiple jurisdictions, covering 100+ locations in 30 countries. Therefore, we monitor risks related to regulatory changes to existing climate policies, such as the geographic coverage and requirements of carbon trading regimes in the major regions where we operate. As of our most recent risk assessment, these risks have not been identified as material to our business. Examples of current regulations include restrictions on GHG emissions, cap and trade programs, and mandatory reporting. Our business is not energy intensive, and most of our facilities fall below threshold requirements for current regulations limiting GHG emissions, cap and trade programs, and mandatory reporting. To date, Flex is only required to participate in the Shenzen Emission Trading Scheme. To evaluate climate-related transitional risks and opportunities, our sustainability team monitors changes in global climate regulations and evaluates applicability and relevance to our operations. The sustainability team and an in-house legal counsel use web-based and in-person methods to identify, analyze, and respond to relevant climate-related risks. Our sustainability team identify customer environmental requirements and analyze the impact of such requirements and agreements. The sustainability team regularly engages in dialogue with industry workgroups, trade associations, and other forums as part of our risk identification process. Our Sustainability and Corporate Real Estate and Facilities (CREF) teams collaborate to identify issues, interpret climate-related regulations and customer requirements, assess potential impacts, and ensure resources are in place to mitigate potential risks in all locations where we operate. All global sites are required to adopt and implement our social and environmental management system, to methodically identify, address, mitigate, and control site-level risks. All sites are audited against our social and environmental audit protocol, including climate-related controls. Results are reported quarterly to the Head of Global Sustainability. Top risks are reported to the Executive Leadership Team (ELT) and our board of directors' Nominating & Governance Committee for further evaluation and mitigation.
Emerging regulation	Relevant, always included	Emerging regulation is deemed relevant and is always included in our climate-related risk assessment, because our extensive network of design, engineering, manufacturing, and logistics facilities spans multiple jurisdictions, covering 100+ locations in 30 countries. With facilities in every major region and a global supply chain network, we monitor risks related to the emergence of new climate policies related to GHG emissions and energy in the major geographies where we operate, including emerging carbon pricing, GHG compliance, and disclosure regulations. We understand that climate related emerging regulations may have direct and indirect impacts on our business, but none have been identified as being potentially material to our business. Because our business is not energy intensive, and nearly all our facilities fall below threshold requirements for current regulations limiting GHG emissions, cap and trade programs, and mandatory reporting, we assume this would be true for any emerging regulation as well. To evaluate transitional risks and opportunities, our sustainability team monitors changes in global climate regulations and evaluates applicability and relevance to our operations. The sustainability team and an in-house legal counsel use web-based and in-person methods to identify, analyze, and respond to relevant climate-related risks. Our sustainability team identify customer environmental requirements and analyze the impact of such requirements. The sustainability team, regularly engage in dialogue with industry workgroups, trade associations, and other forums as part of our risk identification process. Our Sustainability and Corporate Real Estate and Facilities (CREF) teams collaborate to identify issues, interpret specific climate-related regulations and customer requirements, assess potential impacts, and ensure necessary resources are in place to mitigate potential risks at the regional and site level in all locations where we operate. All global sites are required to adopt and implement our social and environmental management system, to methodically identify, address, mitigate, and control site-level risks. All sites are audited against our social and environmental audit protocol, including climate-related controls. Results are reported quarterly to the Head of Global Sustainability. Top risks are reported to the Executive Leadership Team and our board of directors' Nominating & Governance Committee for further evaluation and mitigation.
Technology	Relevant, always included	Technology risks are deemed relevant and are always included in our climate-related risk assessment. Examples of technology risks that are monitored in this respect are related to energy efficiency, renewable energy production, and carbon reduction driven by circular economy solutions. For example, climate change can influence consumer behavior by driving higher demand for energy-efficient technology products and services. If we fail to respond to changing consumer behavior or customer requirements for energy efficiency, for example, there could be some impact to our reputation or customer relations. Our company-wide risk identification and assessment process therefore encompasses technology. To identify and assess the relevance of technology-related risks to our business, our sustainability team and in-house legal counsel use web-based and in-person methods to identify, analyze, and act on relevant climate-related risks. Our sustainability team identifies customer environmental requirements and works to analyze impacts. The Sustainability team, regularly engage in dialogue with industry workgroups, trade associations, and other forums as part of our risk identification process. To assess technology-related risks in our operations and ensure necessary resources are in place to mitigate potential risks where we operate, our Sustainability and Corporate Real Estate and Facilities (CREF) teams collaborate to identify issues, interpret customer requirements, and assess potential climate-related impacts. For example, climate change is an important factor for Flex's decision-making regarding infrastructure upgrade, such as HVAC, electrical distribution, and other capital improvements initiatives. We are reviewing regional and site-level forecasts and plans quarterly and examining investments into such projects monthly. All global sites are required to adopt and implement our social and environmental management system, to methodically identify, address, mitigate, and control site-level risks. All sites are audited against our social and environmental audit protocol, including climate-related controls. Results are reported quarterly to the Head of Sustainability. Top risks are reported to the Executive Leadership Team (ELT) and our board of directors' Nominating & Governance Committee for further evaluation and mitigation.
Legal	Relevant, sometimes included	Legal issues are deemed relevant and are sometimes included in our climate-related risk assessment, because our network of design, engineering, manufacturing, and logistics facilities spans multiple jurisdictions, covering 100+ locations in 30 countries. To ensure our compliance with relevant regional, national and international climate laws and policies in all locations where we operate, we monitor legal risks at a regional and country level, such as the Shenzen Emission Trading Scheme. We have not received any climate-related litigation claims to date and are not aware of any potential climate-related compliance issues nor any exposure to date.

	Relevance & inclusion	Please explain
Market	Relevant, always included	Market trends are deemed relevant and are always included in our climate-related risk assessment, because as a technology company, we are increasingly focused on identifying and capitalizing on new market opportunities related to the development of climate change solutions to meet the changing needs of our customers. Climate change can influence consumer behavior, driving higher demand for energy-efficient technology products and services. We will continue partnering with existing and new customers to deliver design and manufacturing services for more energy-efficient technology products, such as electric vehicle infrastructure. If we fail to respond to changing market demand, consumer behavior or customer requirements for energy efficiency, for example, there could be some impact to our reputation or customer relations. Our company-wide risk identification and assessment process therefore encompasses market demand and changing consumer preferences. To identify and assess the relevance of market related risks to our business, our Sustainability team and in-house legal counsel use web-based and in-person methods to identify, analyze, and act on relevant climate-related risks. Our Sustainability team identifies customer environmental requirements and works to analyze impacts. The Sustainability team, regularly engage in dialogue with industry workgroups, trade associations, and other forums as part of our risk identification process. Our Sustainability and Corporate Real Estate and Facilities (CREF) teams collaborate to identify issues, interpret customer requirements, assess potential impacts, and ensure necessary resources are in place to mitigate potential risks at the regional and site level in all locations where we operate. All global sites are required to adopt and implement our social and environmental management system, to methodically identify, address, mitigate, and control site-level risks. All sites are audited against our social and environmental audit protocol, including climate-related controls. Results are reported quarterly to the Head of Global Sustainability. Top risks are reported to the Executive Leadership Team (ELT) and our board of directors' Nominating & Governance Committee for further evaluation and mitigation.
Reputation	Relevant, always included	Reputation related matters are deemed relevant and are always included in our climate-related risk assessment, because as a technology company, we are increasingly focused on identifying and capitalizing on business opportunities related to climate change solutions to meet changing needs and shifting preferences of our customers. Reputation risks that we are monitoring in this respect are related to changes in consumer behavior and shifting preferences resulting in higher demand for energy-efficient technology products and services. We will continue partnering with existing and new customers to deliver more energy-efficient technology products, such as electric vehicle infrastructure. If we fail to respond to customer requirements for energy efficiency, for example, there could be impacts to our business reputation and associated relations with our customers, investors, and other key stakeholders. To identify and assess the relevance of reputation related risks to our business, our Sustainability team and in-house legal counsel use web-based and in-person methods to identify, analyze, and act on relevant climate-related risks. Our sustainability team identifies customer environmental requirements and works to analyze impacts. The Sustainability team, regularly engages in dialogue with industry workgroups, trade associations, and other forums as part of our risk identification process. Our Sustainability and Corporate Real Estate and Facilities (CREF) teams actively collaborate to identify issues, interpret customer requirements, assess potential impacts, and ensure necessary resources are in place to mitigate potential risks at the regional and site level in all locations where we operate. All global sites are required to adopt and implement our social and environmental management system, to methodically identify, address, mitigate, and control site-level risks. All sites are audited against our social and environmental audit protocol, including climate-related controls. Results are reported quarterly to the Head of Sustainability. Top risks are reported to the Executive Leadership Team (ELT) and our board of directors' Nominating & Governance Committee for further evaluation and mitigation.
Acute physical	Relevant, sometimes included	Acute physical climate risks are deemed relevant and are sometimes included in our climate-related risk assessment, because major hazards driven by climate change, such as cyclones and floods, could have an adverse effect on our operations and financial results across our network of design, engineering, manufacturing, and logistics facilities, covering 100+ locations in 30 countries. Due to the extensive geographic coverage of our operations and supply chain network, we continuously monitor our exposure to extreme weather events that could, for example, lead to interruptions of service from utilities, transportation or telecommunications providers and impact our manufacturing operations. Due to business interruptions, we may experience delays in our product and service delivery and hindered ability to perform critical functions, which could adversely affect our revenue and require significant recovery time and expenditures to resume operations. In recent years, severe weather events impacted our factories (e.g., the 2021 winter storm across Texas and Mexico) and caused losses due to business interruption and facility damage. These losses were not material to our overall results, and were therefore not described in our 10-K or other reporting. To identify and assess our exposure to acute physical climate stressors, our Sustainability and corporate real estate and facilities (CREF) teams actively collaborate to identify and assess physical climate risks at the site level in all locations where we operate. For example, we conduct resilience assessments by running site visits and leveraging third party risk management analytics tools to assess the exposure of our sites to various climate related hazards, as well as equipment and occupancy hazards, to generate site specific scorecards. All global sites are required to adopt and implement our social and environmental management system, to methodically identify, address, mitigate, and control site-level risks. All sites are audited against or social and environmental audit protocol, including climate-related controls, and have an emergency and business continuity plans in place. Results are reported quarterly to the Head of Global Sustainability. Top risks are reported to the Executive Leadership Team (ELT) and our board of directors' Nominating & Governance Committee for further evaluation and mitigation.
Chronic physical	Relevant, sometimes included	Chronic physical climate risks are deemed relevant and are sometimes included in our climate-related risk assessment, because chronic physical risks from climate change could have an adverse effect on our operations and financial results across our network of design, engineering, manufacturing, and logistics facilities, covering 100+ locations in 30 countries. Due to the extensive geographic coverage of our operations and supply chain network, we continuously monitor our exposure to chronic climate-related risks, such as water stress and prolonged droughts that could, for example, disrupt service from water utilities and impact our operations or systems. Such events could make it difficult or impossible to manufacture or deliver products to our customers or perform critical business functions, which could adversely affect our revenue and require significant recovery time and expenditures to resume operations. To identify and assess our exposure to acute physical climate stressors, our Sustainability and corporate real estate and facilities (CREF) teams actively collaborate to identify and assess risks at the site level in all locations where we operate. All global sites are required to adopt and implement our social and environmental management system, to methodically identify, address, mitigate, and control site-level risks. All sites are audited against our social and environmental audit protocol, including climate-related controls. Results are reported quarterly to the Head of Global Sustainability. Top risks are reported to the Executive Leadership Team (ELT) and our board of directors' Nominating & Governance Committee for further evaluation and mitigation.

C2.3

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

Yes

C2.3a

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

Identifier

Risk 1

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Emerging regulation	Mandates on and regulation of existing products and services

Primary potential financial impact
Increased indirect (operating) costs

Climate risk type mapped to traditional financial services industry risk classification
<Not Applicable>

Company-specific description
There is increasing concern that a gradual increase in global average temperatures due to increased concentration of carbon dioxide and other greenhouse gases in the atmosphere will cause significant changes in weather patterns and an increase in the frequency and severity of natural disasters. Changes in weather patterns and an increased frequency, intensity and duration of extreme weather conditions could, among other things, impair our production capabilities, disrupt the operation of our supply chain, and impact our customers and their demand for our services. Governmental bodies are increasingly enacting legislation and regulations in response to the potential impacts of climate change. As a global electronics contract manufacturer, these laws and regulations have, and will continue to have, the potential to impact our operations directly or indirectly as a result of required compliance by us and our suppliers. In addition, we have committed to cut our operational emissions in half by 2030 as part of our long term sustainability strategy and SBTi commitment and we may take additional voluntary steps to mitigate our impact on climate change. As a result, we may experience increases in energy, production, transportation and raw material costs, capital expenditures and insurance premiums and deductibles. In consistency of legislation and regulations among jurisdictions may also affect the cost of compliance with such laws and regulations, which could impact our business operations and financial results. Our failure to comply with environmental laws and regulations could limit our ability to expand our facilities or could require us to incur significant operating expenses. Not meeting climate related compliance requirements can create additional business reputational impacts associated with stakeholder concern or negative stakeholder feedback. To ensure business continuity in the face of new climate-related policy development, we are closely monitoring and following current and emerging global carbon emissions trading, carbon taxes, renewable tariffs, and air pollution standards. For example, if more stringent air pollution standards are imposed in China, we may be subject to additional liability and increased operating costs because around 20% of our manufacturing operations by number are based there. Additional environmental matters may arise in the future, at sites where no problem is currently known or at sites that we may acquire in the future.

Time horizon
Short-term

Likelihood
Virtually certain

Magnitude of impact
Low

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

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
15000000

Potential financial impact figure – maximum (currency)
25000000

Explanation of financial impact figure
Financial impacts can include increased operating costs associated with reporting, disclosure, environmental compliance and management (e.g., taxes, purchase levies, or management costs such as consulting and IT fees). We could also incur costs associated with altering our manufacturing and operations in order to comply with environmental regulations. In addition, our failure to comply with environmental laws and regulations could also limit our ability to expand our facilities. While it is difficult to accurately quantify the financial implications, we estimate potential increased operating costs related to shifting policy and legislation to range from $15M to $25M annually which is our definition for ‘substantive’ for CDP reporting purposes. This potential financial impact figure is calculated based on a three to five penny per share negative impact (i.e., any event that impacts our revenue up to five million USD) and an assessment by subject matter experts within Finance, Corporate Treasury, Corporate Real Estate and Facilities (CREF) and Sustainability.

Cost of response to risk
0

Description of response and explanation of cost calculation
We have developed rigorous risk mitigation environmental compliance programs designed to meet applicable regulations. Our Sustainability lead monitors worldwide climate change regulatory activity. The Sustainability lead, along with the Vice President of Marketing, Communications and Sustainability, regularly engage in dialogue with industry workgroups, trade associations, and other forums as part of our process for identifying relevant emerging regulatory requirements and risks. Thus far, carbon emissions trading schemes have not been applicable to Flex . For example, we are evaluating potential impacts from carbon taxation proposals in the US that could have broader application and emissions trading schemes in California, China, UK and the EU. In each case, either the schemes do not cover our operations (as opposed to “major” emitters) or our relevant emissions are below the threshold for participation. However, our operations are subject to laws governing the discharge of pollutants into the air and water, the management and disposal of hazardous substances and wastes, and the cleanup of contaminated sites. Our Sustainability and CREF teams actively collaborate to assess risks at the site level in all locations where we operate. All global sites are required to adopt and implement our social and environmental management system, to methodically identify, address, mitigate, and control site-level risks. All sites are audited against our social and environmental audit protocol, including climate-related controls. We have implemented processes and procedures to ensure that our operations comply with all applicable environmental regulations, and we have developed compliance programs designed to meet the needs of our customers as well as the regulations. In FY21, Flex conducted a TCFD-aligned, qualitative scenario analysis that suggests that Flex’s efforts to reduce its carbon footprint, increase energy efficiency and develop low carbon products and services have positioned the company well to minimize risks and maximize opportunities from the transition to the low-carbon transition. Flex’s movement toward regionalization and emphasis on procuring renewable energy reduces its carbon footprint and reduces exposure to future GHG emission regulation. the incremental cost of responding to emerging regulatory risks is zero, since managing policy and legal risks falls within the normal course of business.

Comment

Identifier
Risk 2

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

Risk type & Primary climate-related risk driver

Acute physical	Storm (including blizzards, dust, and sandstorms)

Primary potential financial impact
Other, please specify (Increased insurance claims liability)

Climate risk type mapped to traditional financial services industry risk classification
<Not Applicable>

Company-specific description
Climate related hazards and acute shocks associated with storms, heavy precipitation, typhoons, and flooding could have a material adverse impact on our direct operations and financial results across our network of design, engineering, manufacturing, and logistics facilities located across 30 countries. Increased frequency, intensity, and duration of extreme weather conditions could impair our production capabilities and disrupt the operation of our supply chain, and impact our customers and their demand for our services. In FY21, we conducted a TFCD-aligned, quantitative scenario analysis to identify physical climate change risks to our global portfolio. At a high level, the scenario analysis showed projected vulnerability to increased flooding, storms, and wind hazards. Such events could make it difficult or impossible to manufacture or deliver products to our customers, receive production materials from our suppliers, or perform critical functions, which could adversely affect our revenue and require significant recovery time and expenditures to resume operations. We could experience interruptions indirectly, as a result of service interruption from utilities, transportation or telecommunications providers, as well as directly, as a result of disrupted manufacturing operations. Reduced production due to business interruption can affect our ability to timely deliver products to our customers, or perform critical business functions, which could adversely affect our revenue and require significant recovery time and expenditures to resume operations. Severe winter storms in 2021 closed our operations in Austin, Texas for 1 week due to damaged infrastructure and no access to water. The same winter storm affected our operations at our Juarez North and Juarez South facilities in Mexico. Both facilities experienced power outages and subsequent closures, with the north location being closed for 1 day and the south site being down for 3 days. While these closures did not cause a substantive impact, they represent an example of vulnerability to acute physical risks. The most recent storm that significantly affected our business took place in 2017. Our factory in Zhuhai, China, was exposed to a storm surge associated with Typhoon Hato that caused severe flooding and wind gusts. As a result, up to $10M in losses were incurred at our factory, one of our largest manufacturing facilities, including interruption for shipments and supplies, as well as physical damage.

Time horizon
Short-term

Likelihood
More likely than not

Magnitude of impact
Medium

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

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
15000000

Potential financial impact figure – maximum (currency)
25000000

Explanation of financial impact figure
Financial impacts can include potential closure of operations, facility repair costs, lost work time, increased utility costs, lost revenue, damaged equipment, lost inventory, and increased insurance premiums. The financial impact is expected to range between $15M and $25M, which is our typical insurance deductible. It is consistent with our threshold for substantive financial impact noted in 2.1b and defined as once that could create up to $25M charge to our statement of operations, resulting in three to five pennies per share negative impact. This estimated financial impact is calculated on an assessment by subject matter experts within Finance, Corporate Treasury, Corporate Real Estate and Facilities (CREF), Sustainability, and business continuity teams. The company maintains insurance that mitigates the high end of financial impacts.

Cost of response to risk
0

Description of response and explanation of cost calculation
While we maintain business recovery plans that are intended to allow us to recover from natural disasters or other events that can be disruptive to our business, some of our systems are not fully redundant, and we cannot be sure that our plans will fully protect us from all such disruptions. We maintain a program of insurance coverage for a variety of property, casualty, and other risks. Losses not covered by insurance may be large, which could harm our results of operations and financial condition. After Typhoon Hato impacted our Zhuhai China factory in 2017, we compiled lessons learned and developed mitigating steps to reduce potential facility impacts and keep employees safe during future storms. This included establishing a center of command and emergency response team; inspecting and reinforcing facilities, water tanks and back-up power sources; developing recovery plans with key suppliers to reduce down time; and minimizing activities during storms, sending employees home, and stock piling food and water inside buildings for those unable to go home. Capital and expense planning are parts of our normal budgetary cycle. As we adjust our strategy to address risks, we naturally incorporate those strategies into our spending, e.g., by adding features to new facilities, upgrading and/or repairing current facilities, disaster planning, etc. Flex is currently evaluating the adaptive capacity of a subset of business-critical sites to the hazards identified in our FY21 physical scenario analysis in order to determine each site's actual vulnerability to key modeled climate hazards. The results of this assessment will be used to drive site-specific adaptation/resilience planning efforts and will be discussed in next year's CDP disclosure. The incremental cost of responding to acute physical risks is zero, since managing physical risks in our operations falls within the normal course of business.

Comment

Identifier
Risk 3

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

Risk type & Primary climate-related risk driver

Acute physical	Cyclone, hurricane, typhoon

Primary potential financial impact
Other, please specify (Increased insurance claims liability)

Climate risk type mapped to traditional financial services industry risk classification
<Not Applicable>

Company-specific description
Due to increased exposure to extreme weather events influenced by climate change, such as severe storms or floods including heavy precipitation and cyclone events, we may experience adverse impacts in our supply chain or inventory, resulting in shortages of raw materials and required electronic components. From time to time, we have experienced shortages of some of the electronic components that we use. Shortages can result from extreme weather events such as cyclones, hurricanes, and typhoons and can cause us to experience a reduction in sales, increase in inventory levels and costs, and could adversely affect relationships with existing and prospective customers. Given the complexity of our supply chain and our geographically dispersed operations, we also depend on a variety of common carriers to transport our materials from our suppliers to us, and to transport our products from us to our customers. Unanticipated component shortages could result in curtailed production or delays in production, which may prevent us from making scheduled shipments to customers. No instances of extreme weather events were observed in 2021 that disrupted our upstream operations, however, in 2018, we experienced a severe cyclone in Chennai, India, which damaged air freight cargo in transit from one location to another. Our inability to make scheduled shipments could cause us to experience a reduction in sales, an increase in inventory levels and costs, and could adversely affect relationships with existing and prospective customers. Component shortages may also increase our cost of goods sold because we may be required to pay higher prices for components in short supply and redesign or reconfigure products to accommodate substitute components. As a result, component shortages could adversely affect our operating results. Our performance depends, in part, on our ability to incorporate changes in component costs into the selling prices of our products.

Time horizon
Short-term

Likelihood
More likely than not

Magnitude of impact
Medium

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

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
15000000

Potential financial impact figure – maximum (currency)
25000000

Explanation of financial impact figure
Financial impacts can include inventory damage, lost revenue from curtailed production or delays in production, increased cost of raw materials or components, increased costs related to redesign or reconfiguration of products to accommodate substitute components, and increased insurance premiums. The financial impact is expected to range between $15M and $25M, which is our typical insurance deductible. It is consistent with our threshold for substantive financial impact noted in 2.1b and defined as once that could create up to $25M charge to our statement of operations, resulting in three to five pennies per share negative impact. This estimated financial impact is based on an assessment by subject matter experts within Finance, Corporate Treasury, Corporate Real Estate and Facilities (CREF), Sustainability, and business continuity teams. The company maintains insurance that mitigates the high end of financial impacts.

Cost of response to risk
0

Description of response and explanation of cost calculation
We have developed rigorous risk mitigation compliance programs which include collecting compliance data from our suppliers, full laboratory testing and public reporting of environmental metrics such as GHG emissions, energy, and water. To manage financial impacts from potential shortages of raw materials and electronic components, we aim to diversify our supply base and develop redundant capabilities. We have developed a Preferred Supplier Program (PSP) and work with key suppliers to identify, assess, and manage risks, ensure compliance with social and environmental standards that meet and exceed RBA's code of conduct, and maintain a high performance within our suppliers. Through supplier training sessions, onsite audits, screenings, and SAQs, we ensure the continuity and effectiveness of supplier social and environmental activities. In 2021, as the COVID-19 pandemic continued to restrict global travel, we still utilized remote supplier audits where necessary. Throughout last year, we conducted 167 initial audits (including 37 remote and 137 onsite) and 8 follow-up audits (including 4 remote, 4 onsite) focused on suppliers located in high-risk regions, including China and Southeast Asia, Europe and South America. Additionally, in 2021, we expanded our supplier training efforts to reach 424 suppliers and 695 supplier personnel. Through direct engagement with our suppliers, we can also mitigate potential risks such as those related to component shortages caused by severe storms or flooding. Additionally, we are able to mitigate financial impacts from component shortages by increasing our cost of goods sold. It is difficult to accurately quantify the incremental cost of responding to emerging acute physical risks is zero, since managing risks in our supply chain falls within the normal course of business.

Comment

C2.4

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

C2.4a

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

Identifier
Opp1

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

Opportunity type
Energy source

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

Primary potential financial impact
Reduced direct costs

Company-specific description
We have an opportunity to reduce our operating costs by increasing our renewable energy (RE) purchases. This opportunity is driven, in part, by our key customers, who are increasingly setting supply chain targets and requesting that we improve our energy performance and increase RE purchases to power our facilities. Within our operations globally, we are committed to reducing our energy use and related GHG emissions. We exceeded our goals to reduce CO2e emissions by at least 10% per unit revenue (2016-2020) and increase the utilization of renewable energy (RE) by deploying a minimum of 2MW/year solar power and/or procuring the same amount of RE from third party sources. In 2021, we committed to reduce absolute scope 1 and 2 GHG emissions 50% by 2030 from a 2019 base year, an SBTi approved goal that is consistent with required reductions to limit global warming to 1.5°C. Approximately 89% of our scope 1 and 2 GHG emissions results from electricity purchases at our operated locations. We see this as an opportunity to reduce operating costs and exposure to GHG emissions by increasing our RE purchases, enhancing our reputation, improving the resiliency of our operations and further developing relationships with key customers. We now have solar installations in Austria, China, India and Mexico with the total capacity of 20 MW. We have begun actively investing in green power purchases in other regions, sometimes aided by our customers, and we plan to factor procurement into our next set of company-wide goals. We are looking for opportunities in all the locations where our footprint is substantial, including, for example, China, Mexico, the United States, and India. In some locations, the green energy market is less developed, but we expect that to change rapidly over the next several years. We also have an opportunity to increase the efficiency of production and distribution processes at our owned and operated manufacturing locations through implementation of energy efficiency and low carbon initiatives.

Time horizon
Short-term

Likelihood
Likely

Magnitude of impact
Medium

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

Potential financial impact figure (currency)
4026000

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
Cost-savings achieved through implementation of energy efficiency initiatives and low-carbon energy installations in 2021 was ~$4 million, which is the potential financial impact figure. This was calculated based on the actual and estimated savings of implemented energy efficiency initiatives and low-carbon energy installations in 2021. Example 2021 energy efficiency projects include upgrades to HVAC, resource efficiency, lighting, motors and drives, compressed air, process optimization, insulation and more.

Cost to realize opportunity
6705000

Strategy to realize opportunity and explanation of cost calculation
Flex's energy management strategy involves the development and implementation of energy reduction best practices, on-site energy generation through solar panels, buying energy from renewable sources, and replacing and installing LED light fixtures. We met our goals to reduce CO2e emissions by at least 10% per unit revenue (2016-2020) and increased the utilization of renewable energy (RE) by deploying a minimum of 2MW/year solar power and/or procuring the same amount of RE from third party sources. We are now working towards our meeting or goal to halve our Scope 1 and 2 emissions by 2030, from a 2019 baseline. We strive to reduce the climate impacts of the energy our operations consume and turn to renewable energy sources and reliable off-sets. In FY21, we achieved a 14 percent reduction in operational emissions from 2019, our baseline year. We leverage renewable energy sources, where possible. We plan to install three more solar projects around the globe in the next year. Our facilities will support our progress in renewable energy production reduce emissions and instill resilience along our value chain. To continue these achievements, in 2021, we committed to reducing water withdrawn by 5% per revenue, focusing on sites located in water scarce areas, by 2025. We are also working closely with customers who have set supply chain targets. 2021 monetary investments related to energy efficiency initiatives and low-carbon energy installations were ~$6,705,000 with no additional costs beyond management and operation. In 2021, we avoided more than 19k 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.

Comment

Identifier
Opp2

Where in the value chain does the opportunity occur?
Downstream

Opportunity type
Markets

Primary climate-related opportunity driver
Access to new markets

Primary potential financial impact
Increased revenues through access to new and emerging markets

Company-specific description
According to the Ellen MacArthur Foundation (which Flex is a proud member of), in Europe, India, and China, a circular economy could reduce GHG emissions by 22–44% in 2050 compared to the current development path in Europe, India, and China, when implemented in sectors such as the built environment, mobility, food, electronics, and textiles. Acknowledging the importance of circular economy solutions in climate change mitigation, Flex is leveraging our technologies to develop new products and services to enable our customers to understand the CO2e impacts of their products and identify carbon reduction measures. Development of new and expansion of existing low-carbon products and services will enable Flex to enter new markets and develop new business opportunities. Flex is expanding its circular economy strategy and is aiming to be the top global provider of circular economy solutions to minimize the carbon impacts associated with products, maximize value recovery, and provide sustainability stewardship to all our customers. We invest in specialized personnel and tools to measure the CO2 impact of circular economy services and the impact of logistics. In 2012, we founded Sinctronics, our circular economy and manufacturing operations in Sorocaba, Brazil. Since then, we've developed processes and technologies to recycle electronic waste and also industrial waste such as plastics, cardboard and wooden pallets. We pioneered circular manufacturing processes, making new parts from recycled materials. In 2018, our entire Sorocaba footprint became a zero-waste site. In 2021, Flex Aguascalientes in Mexico became a certified zero-waste facility thanks to a partnership with one of our long-time customers. Our sites in Hungary were also certified as zero waste this year. We have certification projects in place in 10 facilities that are planned to receive their zero waste certifications in 2022. In 2020, we launched a training program educating our employees in circular economy and sustainability within our own organization and the wider world. In 2021, Flex refurbishment and remarketing of returned and off-lease products reduced CO2e by 90% compared with the development of new products and by 70% via parts harvesting to re-manufacture refurbished units versus the development of new parts. In 2021, 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.

Time horizon
Long-term

Likelihood
More likely than not

Magnitude of impact
Medium

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

Potential financial impact figure (currency)
25000000

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
The potential financial impact of the opportunity relates to the estimated new business associated with customers interested in leveraging our CO2 calculator to minimize embedded carbon in products and reduce supply chain emissions. The quantification of the financial impact of $25,000,000 is based on: (1) projected increase in demand for Flex's recycling and refurbishing processes, (2) increased number of customers interested in investing in Flex's circular economy solutions, including the CO2 calculator, (3) increased sales of circular economy solutions associated with the CO2 calculator.

Cost to realize opportunity
100000

Strategy to realize opportunity and explanation of cost calculation
Flex's carbon reduction strategy involves the development of innovative solutions to enable our customers to minimize and avoid CO2 emissions associated with their products. Flex is now expanding its circular economy strategy and is aiming to be the top global provider of circular economy solutions to minimize the carbon impacts associated with our customers' products, maximize value recovery, and provide sustainability stewardship to all our customers. 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 company-wide training program educating our employees in circular economy and sustainability both within our own organization and the wider world. Flex is investing in innovation and R&D to build out four functions based on the circular economy principles: (1) reverse logistics, (2) recycling facilities, (3) R&D (for example, through the Green IT Innovation Center developed in Brazil by Flex-owned company, Sinctronics), and (4) reverse supply chains. In FY21, Flex launched a CO2 calculator (ECO2) that enables our customers to measure their carbon footprint associated with their products use and prioritize carbon reduction measures. It enables our customers to (1) understand the CO2, water, and energy embedded in their products and the supply chain, (2) conduct scenario and comparative analysis, (3) measure CO2 impacts and reductions from mitigation activities, (4) identify carbon hotspots, (5) plan carbon budgeting, and (6) develop a pathway towards Net Zero carbon impacts. By applying advanced analytics, the CO2 calculator enables our customers to estimate avoided CO2 emissions resulting from different product end-of use decision options, such as product repair and upgrade versus replacing it with a new one. Services provided by the CO2 calculator can help our customers to develop more informed decisions and prioritize their carbon reduction measures. The CO2 Calculator can help customers to design more sustainable supply chains and provide analysis on environmental impacts of different product and supply chain scenarios. The cost to realize this opportunity is $100,000 and includes the estimated cost to develop, build, pilot, and launch the CO2 calculator. It is likely that we will provide further enhancements to the calculator and integrate with our own Flex and customer systems over time.

Comment

C3. Business Strategy

C3.1

(C3.1) Does your organization's strategy include a transition plan that aligns with a 1.5°C world?

Row 1

Transition plan

No, but our strategy has been influenced by climate-related risks and opportunities, and we are developing a transition plan within two years

Publicly available transition plan

<Not Applicable>

Mechanism by which feedback is collected from shareholders on your transition plan

<Not Applicable>

Description of feedback mechanism

<Not Applicable>

Frequency of feedback collection

<Not Applicable>

Attach any relevant documents which detail your transition plan (optional)

<Not Applicable>

Explain why your organization does not have a transition plan that aligns with a 1.5°C world and any plans to develop one in the future

In 2021, Flex conducted a TCFD-aligned quantitative and qualitative scenario analysis to identify potential risks and business opportunities arising from the transition towards a low carbon economy, aligning with a 1.5°C world. High level results suggest that Flex's actions thus far have positioned the company well to minimize risks and maximize opportunities from the transition to a low-carbon economy. Flex is currently evaluating the results of this process and plans to develop an informed transition plan in coming years.

While Flex does not currently have a formal transition plan that aligns with a 1.5°C world, the company has incorporated climate change risks and opportunities into its 2030 strategy and is assessing the results of its FY21 transition and physical scenario analyses to inform additional business strategy aspects. In fiscal year 2021, continuing our purpose-driven journey, we developed our next set of long-term sustainability goals that focus on key areas where we can make a measurable, direct, and positive impact. We've set new sustainability goals through 2030 against a refreshed framework centered on our world, our people and our approach spanning several pillars.

As part of these commitments, in FY21, Flex announced its commitment to cut operational emissions in half by 2030 as part of the company's new long-term sustainability strategy. In partnership with suppliers and customers, Flex has set bold environmental goals to combat climate change. Aligning scope 1, 2 and 3 emissions reduction targets, the company has joined the Science Based Targets initiative (SBTi), the global movement of leading companies working to reach the Paris Agreement's goal of limiting global temperature rise to 1.5°C above preindustrial levels. Flex conducted an exhaustive data analysis of each of the 15 categories of scope 3 emissions as part of its acceptance into the SBTi.

Explain why climate-related risks and opportunities have not influenced your strategy

<Not Applicable>

C3.2

(C3.2) Does your organization use climate-related scenario analysis to inform its strategy?

	Use of climate-related scenario analysis to inform strategy	Primary reason why your organization does not use climate-related scenario analysis to inform its strategy	Explain why your organization does not use climate-related scenario analysis to inform its strategy and any plans to use it in the future
Row 1	Yes, qualitative and quantitative	<Not Applicable>	<Not Applicable>

C3.2a

(C3.2a) Provide details of your organization's use of climate-related scenario analysis.

Climate-related scenario	Scenario analysis coverage	Temperature alignment of scenario	Parameters, assumptions, analytical choices
Physical climate scenarios: RCP 8.5	Company-wide	<Not Applicable>	Flex performed a TCFD-aligned, quantitative scenario analysis to identify physical climate change risks to its global portfolio of manufacturing and logistics facilities. For each of its 100 manufacturing and logistics facilities, Flex evaluated present and future exposure to acute and chronic hazards from temperature and precipitation changes, coastal flooding, inland flooding, drought, water stress and wildfire. The desktop analysis was based on publicly available data sets developed using methods that have undergone scientific peer review. Flex used the RCP scenarios RCP4.5 and RCP8.5 to evaluate the Flex portfolio's exposure to climate change risks under a range of potential futures. RCP8.5 represents a higher GHG emissions future with increasing GHG emissions through 2100 and greater physical impacts from climate change, while RCP4.5 represents a future with decreasing GHG emissions after mid-century and lesser physical impacts. RCP4.5 is consistent with global warming of 2.4°C by 2100 (range 1.7-3.2°C) while RCP8.5 in consistent with global warming of 4.3°C by 2100 (range 3.2-5.4°C).
Transition scenarios: Customized publicly available transition scenario	Company-wide	1.6ºC – 2ºC	Flex performed a TCFD-aligned, qualitative scenario analysis to identify potential risks and business opportunities arising from the transition towards a low carbon economy. The transition scenario analysis relied on the assumptions and outputs of climate policy scenarios developed by the IEA and the NGFS. The scenarios explore different possible climate futures and map out the consequences of different choices for energy use/energy security. Flex used the IEA's SDS and STEPS. SDS is Paris-aligned "well below 2 °C" pathway that reaches global net zero emissions by 2070, while STEPS reflects current policy settings as well as specific policy initiatives that are under development. The Flex analysis also considered the NGFS Delayed Transition scenario. The Delayed Transition Scenario assumes policy reaction to climate change is delayed until 2030, with slow energy transition and technology changes in the short-term but fast in the medium-/long-term. This scenario produces a warming of 1.8 °C by 2100.

C3.2b

(C3.2b) Provide details of the focal questions your organization seeks to address by using climate-related scenario analysis, and summarize the results with respect to these questions.

Row 1

Focal questions

What physical climate change risks impact our global portfolio of manufacturing and logistics facilities?
What potential losses can Flex incur due to climate-related expenses, decreased revenue, and/or business interruptions?
What are the potential impacts from acute and chronic climate changes on our supplier and direct operations?
What potential risks and business opportunities exist in the transition towards a low carbon economy?
What actions does Flex need to need to take in the next ten to twenty years to successfully transition to a low carbon economy?

Results of the climate-related scenario analysis with respect to the focal questions

The scenario analysis showed that all Flex assets are projected to be exposed to increases in average and extreme temperatures. Exposure to other climate change hazards varied with asset location. For example, exposure to flooding depends on future changes in precipitation, among other factors. Some regions are projected to see future increases in precipitation and flooding losses, while in other regions, changes in future losses due to flooding were minimal.

The scenario analysis showed potential impacts from both acute and chronic climate changes. For example, some of Flex's coastal assets in the Asia-Pacific region are modeled to be exposed to acute storm surge and wind hazards from tropical cyclones. Rising sea levels are projected to increase these assets' exposure to storm surge hazards over time. Rising temperatures may pose a chronic risk to Flex's assets through losses in employee productivity, HVAC system degradation and increases in cooling needs that are likely to increase cooling costs.

The analysis suggests that Flex's efforts to reduce its carbon footprint, increase energy efficiency and develop low carbon products and services have positioned the company well to minimize risks and maximize opportunities from the transition to the low-carbon transition. Flex's movement toward regionalization and emphasis on procuring renewable energy reduces its carbon footprint and reduces exposure to future GHG emission regulation.

Flex's greatest transition risk exposure is via its customers and supply chain. In a rapid transition to a low carbon economy Flex may experience challenges in sourcing critical materials (semi-conductor chips, materials for batteries, low carbon steel), Flex's suppliers and customers may face similar challenges. Flex is exposed to the transition risks of its customers – if they fail to adapt to the low carbon economy, Flex may face revenue and reputational impacts.

Flex operates in geographies where sourcing renewable energy may become more difficult, especially in an accelerated energy transition in rapidly growing markets where demand for renewable energy increases quickly and ahead of available supply. Although Flex is pursuing a regionalization strategy, increased carbon-related costs from long-distance transport using difficult-to-decarbonize methods (ships, aviation, heavy-duty trucks) represent a near-term risk that may lessen with time as new technologies are implemented in these sectors.

The scenario analysis showed potential impacts from both acute and chronic climate changes that Flex is internally assessing. Flex is currently evaluating the adaptive capacity of a subset of business-critical sites to the hazards identified in the scenario analysis in order to determine each site's actual vulnerability to key modeled climate hazards. The results of this assessment will be used to drive site-specific adaptation/resilience planning efforts.

(C3.3) Describe where and how climate-related risks and opportunities have influenced your strategy.

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	Climate change can influence consumer behavior, driving higher demand for energy-efficient and low-carbon products/services. By leveraging our technological capabilities, we will be able to respond to changing market demands and continue partnering with existing and new customers to deliver innovative solutions. These climate-related opportunities have been influencing Flex's market strategy to expand the reliability solutions business segment. From 2020 to 2021, the business unit's revenue increased by 3.1% totaling to $662 million. We developed and launched energy-efficient products, such as EV infrastructure. Flex has also been pursuing opportunities to reduce carbon embedded in our customers' products by expanding our circular economy services. The time horizon associated with the strategy is short- to medium-term. Examples of substantial strategic decisions (case study) include investments in: 1) refurbishment and remarketing of returned and off-lease products to reduce carbon embedded in our customers' products and 2) innovative tools, such as an internal tool built to aid in the calculation of Scope 3 categories involving sold products. This tool, launched in EMEA and will be used globally soon, tracks the energy use, average lifetime, weight, and material of Flex's sold products, making Scope 3 reporting more accurate. Physical climate-related impacts can disrupt our operations by impacting shipment and supply of materials, manufacturing, and timely delivery of our products and services, leading to potential financial and reputational impacts. Extreme weather events have informed our business continuity planning. At our sites, we maintain business recovery plans and insurance coverage with multiple carriers. Sites are required to adopt and implement our social and environmental management system, to identify, address, mitigate, and control site-level risks. The time horizon associated with the strategy is short- to medium-term. As an additional example of a substantial strategic decision (case study), we conducted a climate resilience assessment at our business-critical R&D and manufacturing facility in Malaysia using third-party risk analysis tools and an onsite audit. We examined the potential exposure of the site to climate-related natural hazards, fire, and other risks to generate a site-specific scorecard and inform risk mitigation actions.
Supply chain and/or value chain	Yes	From time to time, we have experienced shortages of raw materials and electronic components. These shortages may be caused by events outside our control, including, but not limited to, natural or environmental occurrences such as severe storms or floods which impact our supply chain or inventory. Unanticipated component shortages could result in curtailed production or delays in production, which may prevent us from making scheduled shipments to customers. For example, in Chennai, India in 2018, a storm damaged air freight cargo in transit from one location to another. Physical climate-related risks to which our supply chain is exposed have influenced our supplier engagement strategy which is based on: 1) adopting a robust code of conduct that requires our suppliers to measure and report their environmental and social performance, including the metrics related to GHG emissions and energy efficiency, 2) providing supplier environmental trainings, 3) conducting on-site audits and due diligence to increase our visibility into our key supplier operations and provide recommendations on corrective actions to mitigate climate-related impacts. The time horizon associated with the strategy is short- to medium-term. As an example of a relevant substantial strategic decision (case study), in 2020, we committed that 50% of our 'Preferred Suppliers' will set their own GHG emissions reduction targets by 2025 and 100% by 2030. This year, Flex has scheduled 15 webinars to review GHG calculation best practices, to provide relevant resources, and to coach suppliers on how to develop emissions reductions targets. Flex also provides 1-on-1 meetings with suppliers that need support responding to the CDP questionnaire. Last year, Flex conducted more than 60 of these one-on-one support sessions. Flex has also expanded it's supplier outreach to provide these webinars in Chinese, as well as English, to reach suppliers in the Chinese market. We engaged with 500 of our preferred suppliers, including direct and indirect procurement, through CDP. In 2021, Flex was recognized as a CDP Supplier Engagement Leader for its actions to measure and limit greenhouse gas emissions across its supply chain.
Investment in R&D	Yes	Climate-related opportunities associated with investment in R&D have influenced Flex's market strategy for our Energy segment and New Ventures segment. They have also further strengthened our Sketch-to-Scale® innovation model to enable start-up companies with innovative climate solutions to grow their business from design to full production. Our strategy has been also to further expand our Industrial and Emerging Industries (IEI) segment by developing and launching energy-efficient products, such as electric vehicle infrastructure. The time horizon associated with the strategy is short- to medium-term. As an example of a relevant substantial strategic decision (case study), we conducted a climate resilience assessment at our business-critical R&D facility in Malaysia using third-party risk analysis tools and an onsite audit. The resilience assessment examined the potential exposure of this R&D site to climate-related natural hazards, fire, as well as other risks to generate a site-specific scorecard and inform risk mitigation actions.
Operations	Yes	Increasing or decreasing temperatures could impact site energy usage and increase operational costs or disrupt production capacity. This risk is being managed through improved efficiencies in usage and facilities climate control and through the addition of onsite power generation capabilities, where appropriate. Climate-related risks to our operations have influenced our strategy of prioritizing investments in LED lighting, onsite solar and procurement of green energy through local utilities, PPAs, etc. The time horizon associated with the strategy is short- to medium-term. As an example of a relevant substantial strategic decision (case study), we increased our renewable energy capacity by commissioning a new 0.1 MW solar PV system throughout our site Althofen, Austria and investing in a cogeneration facility in Tijuana, Mexico. The cogeneration facility is expected to provide 44,080 MWh/year of energy to our Tijuana plant when fully operational.

C3.4

C3.4) Describe where and how climate-related risks and opportunities have influenced your financial planning.

	Financial planning elements that have been influenced	Description of influence
Row 1	Revenues Direct costs Indirect costs Acquisitions and divestments Access to capital Assets	Revenues: The revenues from our energy-related climate change solutions were sizeable in the last fiscal year. Flex is continuing to pursue additional business in this sector with industrial customers, public and private utilities, energy developers and others. In some cases, we have a significant market share, e.g. for single-axis trackers utilized in utility-scale solar installations. Time horizon: Current (up to 1 year). Case Study: Flex is leveraging technologies to innovate and increase sales of products and services that enable our customers to understand their CO2 impacts and plan carbon reduction measures. In FY21, Flex launched a CO2 calculator that enables our customers to measure their carbon footprint associated with their products use and prioritize carbon reduction measures: to (1) understand CO2e embedded in their products and supply chain, (2) conduct scenario and comparative analysis, (3) measure CO2e reductions from mitigation activities, (4) identify carbon hotspots, (5) plan carbon budgeting, and (6) develop a pathway towards Net Zero carbon impacts. Services provided by the CO2 calculator can help our customers to develop more informed decisions and prioritize their carbon reduction actions and potential savings. The business opportunity associated with the development of tool-based solutions, such as the CO2 calculator, values at more than $150 million. Climate-related impacts can also create revenue losses because of severe weather events (e.g. the 2021 winter storms across Texas and Mexico) that can impact our manufacturing operations. Losses could include business interruption (both shipments and supplies) as well as physical damage to facilities. These types of weather events have usefully informed our business continuity planning. In terms of likelihood and magnitude, these product related risks and opportunities are medium and there is potential for the revenue opportunities to be material. Indirect costs: Increasing or decreasing temperatures could impact site energy usage and increase operational costs or disrupt production capacity. This risk is being managed through improved efficiencies in usage and facilities climate control and through the addition of site power generation capabilities, where appropriate. There are no significant cost expenditures at this time. The management of monitoring this development will not increase because existing teams will work on this issue. This is a risk that has a high likelihood of occurrence and is medium in terms of magnitude. We are continuing to invest in LED lighting, onsite solar and are investigating procurement of green energy through local utilities, PPAs, etc. Time horizon: Current (up to 1 year). Acquisitions and divestments: We are looking for growth opportunities in several areas that have the potential to mitigate climate change, including renewable energy, connected home, autonomous vehicles, smart agriculture, and supply chain optimization. This opportunity is lower in likelihood only because it depends upon what our customers pursue from a strategic standpoint and the nature of the services we provide, e.g. design vs. assembly only. The magnitude could be high because of the demand for climate change solutions in all of the sectors mentioned above, but the timeframe is relatively long and thus the size of the opportunity is somewhat speculative. Time horizon: Short- to medium-term (1-5 years). Access to capital: Climate-related risks and opportunities are impacting our access to capital, and we are working continuously to meet our investors' expectations. Our Sustainability team is monitoring the development of climate change issues through our regulations and market intelligence function and feeds any insights back into our market strategy. Our mid-to-long term plan is to shift mix to a more diversified, higher value portfolio, also including the expansion of our Industrial and Emerging Industries (IEI) segment covering energy-efficient products, such electric vehicle infrastructure. We are growing our differentiated capabilities to continue meeting and anticipating customer and market needs and create value for our existing and new customers. We have new business development teams investigating market opportunities on a daily basis (Energy segment, New Ventures segment, Strategic Marketing Operations, etc.). Additionally, we have pioneered the Sketch-to-Scale® innovation model to enable start-up companies with new technologies that address these climate-related issues to grow their business from design to full production. Time horizon: Short- to medium-term (1-5 years). Assets: Physical climate-related impacts, such as severe weather events have impacted our facilities in China and India, leading to temporary impairment of business as well as physical damage to structures and other facilities. The most recent storm that significantly affected our business took place in February 2021. Our factory in operations in Austin, Texas and our Juarez North, Juarez South, and Reynosa facilities in Mexico were exposed to a severe winter storm that disconnected power, damaged infrastructure, and paused the water supply. Even when water connection was reactivated, our Austin site did not have access for potable water for several days. Operations were closed for a week, causing losses and business disruptions, as well as physical damage to our facilities. We could also experience business interruptions indirectly, as a result of service interruption from utilities, transportation or telecommunications providers. Reduced production due to business interruption can affect our ability to timely deliver products to our customers, or perform critical business functions, which could adversely affect our revenue and require significant recovery time and expenditures to resume operations. Transition climate risks related to carbon pricing policies lead to increased operating costs associated with reporting, disclosure, environmental compliance and management (e.g., taxes, purchase levies, or management costs such as consulting and IT fees). We could also incur costs associated with altering our manufacturing and operations in order to comply with environmental regulations. In addition, our failure to comply with environmental laws and regulations could also limit our ability to expand our facilities. Time horizon: Short- to medium-term (1-5 years).

C4. Targets and performance

C4.1

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

Absolute target

C4.1a

(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.

Target reference number

Abs 1

Year target was set

2020

Target coverage

Company-wide

Scope(s)

Scope 1
Scope 2

Scope 2 accounting method

Market-based

Scope 3 category(ies)

<Not Applicable>

Base year

2019

Base year Scope 1 emissions covered by target (metric tons CO2e)

102364

Base year Scope 2 emissions covered by target (metric tons CO2e)
775817

Base year Scope 3 emissions covered by target (metric tons CO2e)
<Not Applicable>

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)
878181

Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1
100

Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2
100

Base year Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)
<Not Applicable>

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes
100

Target year
2030

Targeted reduction from base year (%)
50

Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]
439090.5

Scope 1 emissions in reporting year covered by target (metric tons CO2e)
81647

Scope 2 emissions in reporting year covered by target (metric tons CO2e)
675084

Scope 3 emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)
756731

% of target achieved relative to base year [auto-calculated]
27.6594460595253

Target status in reporting year
Underway

Is this a science-based target?
Yes, and this target has been approved by the Science Based Targets initiative

Target ambition
1.5°C aligned

Please explain target coverage and identify any exclusions
Flex commits to reduce absolute scope 1 and 2 GHG emissions 50% by 2030 from a 2019 base year. This target was approved by Flex in 2020, publicly launched and formally approved by SBTi in 2021.

The targets covering greenhouse gas emissions from company operations (scopes 1 and 2) are consistent with reductions required to keep warming to 1.5°C.

Plan for achieving target, and progress made to the end of the reporting year
Flex plans to achieve this target by implementing energy efficiency at our sites, installing onsite solar systems, and gathering Flex plans to achieve this target by implementing energy efficiency at our sites, installing onsite solar systems, and gathering more supplier-specific emission factors.

During 2021, Flex implemented many energy reduction initiatives. The project resulting in the most energy savings was due to a reduced electrical supply resulting from a 60% capacity cap. Even more energy was saved by shutting down plants and reducing air conditioning during national holidays or during periods of reduced activity onsite. CDA were regularly inspected and repaired to prevent leaks, and rolling shutters were also installed at the entrances and exits of facilities to reduce the inflow of hot outside air.

In interest of advancing decarbonization strategies within our own operations, as well as across the value chain, we have also committed to supporting the circular economy. We plan to certify as many facilities as zero waste as we can and to implement waste reduction strategies throughout all other manufacturing and logistics sites. Over the last decade, we've learned immensely from our eco-conscious customers about processes that improve environmental outcomes. In 2012, we founded Sinctronics, our circular economy and manufacturing operations in Sorocaba, Brazil, after a key partner, HP, encouraged us to recycle the electronic waste generated from the production of printers, motherboards and other IT products. Since then, we've developed processes and technologies to recycle not only electronic waste but also industrial waste such as plastics, cardboard and wooden pallets. In parallel, we pioneered circular manufacturing processes, making new parts from recycled materials. Through reuse, as much as 80 percent greenhouse gas emissions can be prevented1. In 2018, our entire Sorocaba footprint became a zero-waste site. In 2021, Flex Aguascalientes in Mexico also became a certified zero-waste facility thanks to a partnership with one of our long-time customers. Our sites in Budapest and Gyál, Hungary were also certified as zero waste this year. We have certification projects in place in 10 facilities that are planned to receive their zero waste certifications in 2022.

List the emissions reduction initiatives which contributed most to achieving this target
<Not Applicable>

C4.2

(C4.2) Did you have any other climate-related targets that were active in the reporting year?
Other climate-related target(s)

C4.2b

(C4.2b) Provide details of any other climate-related targets, including methane reduction targets.

Target reference number
Oth 1

Year target was set
2020

Target coverage
Company-wide

Target type: absolute or intensity
Absolute

Target type: category & Metric (target numerator if reporting an intensity target)

Engagement with customers	Percentage of customers (by emissions) with a science-based target

Target denominator (intensity targets only)
<Not Applicable>

Base year
2019

Figure or percentage in base year
43

Target year
2025

Figure or percentage in target year
70

Figure or percentage in reporting year
48

% of target achieved relative to base year [auto-calculated]
18.5185185185185

Target status in reporting year
Underway

Is this target part of an emissions target?
No

Is this target part of an overarching initiative?
Science Based Targets initiative – approved customer engagement target

Please explain target coverage and identify any exclusions
Flex commits to partner with 70% of customers by emissions covering purchased goods and services, capital goods and use of sold products to set science-based targets by 2025.

Plan for achieving target, and progress made to the end of the reporting year
Under our 2030 strategy and goals, we committed that 70% of our customers by emissions covering purchased goods and services, capital goods and use of sold products will have science based targets by 2025.

We value our opportunities to engage with our customers and explore opportunities to deepen our progress on ESG-related issues. Using customer surveys, business reviews, materiality assessments and regular collaboration we are able to gain understanding of our customers' vision to drive success. Our engagement strategy provides opportunities to align on sustainability goals where we can collaborate to make industry-wide impact. We recognize that our emissions reduction goals are interdependent. Therefore, we have invited our customers to join this journey with us. As trusted partners with both our suppliers and customers, we leverage frameworks such as TCFD and CDP to share knowledge and best practices and accelerate sustainability throughout the value chain.

List the actions which contributed most to achieving this target
<Not Applicable>

Target reference number
Oth 2

Year target was set
2020

Target coverage
Company-wide

Target type: absolute or intensity
Absolute

Target type: category & Metric (target numerator if reporting an intensity target)

Engagement with suppliers	Percentage of suppliers (by emissions) disclosing their GHG emissions

Target denominator (intensity targets only)
<Not Applicable>

Base year
2020

Figure or percentage in base year
9

Target year
2030

Figure or percentage in target year
100

Figure or percentage in reporting year
29

% of target achieved relative to base year [auto-calculated]
21.978021978022

Target status in reporting year
Underway

Is this target part of an emissions target?
No

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

Please explain target coverage and identify any exclusions
Flex requires 50% of its preferred suppliers to set greenhouse gas emissions reduction targets by 2025, and 100% by 2030.

Plan for achieving target, and progress made to the end of the reporting year
Flex's main plan to achieve this target is active communication with suppliers. Our communication includes webinars, trainings, and supplier-specific consulting sessions to support their environmental reporting and emissions reduction target development. At the end of 2021, 29% of Flex's preferred suppliers had set a GHG emissions reduction target.

Flex's actions in the past year that have contributed to most to progress on this supplier target are:
• Upper management communicating the importance of the program
• Internal education to all stakeholders of the program
• Greenhouse gas emissions trainings to provide an overview and concepts
• GHG Emissions calculations and Reduction Structured targets guidance and support to define and set targets
• Personalized, 1:1 supplier sessions
• Resources for suppliers to calculate their emissions
• Closure of the submission cycle along with CDP's data analysis and scorecards

This year, Flex has scheduled 15 webinars to review GHG calculation best practices, to provide relevant resources, and to coach suppliers on how to develop emissions reductions targets. Flex also provides one-on-one meetings with suppliers that need support responding to the CDP questionnaire. Last year, Flex conducted more than 60 of these one-on-one support sessions. Flex has also expanded it's supplier outreach to provide these webinars in Chinese, as well as English, to reach suppliers in the Chinese market.

In addition to annual sustainability trainings on both the Flex and RBA Codes of Conduct and best practices of all Flex's sustainability programs.

List the actions which contributed most to achieving this target
<Not Applicable>

C4.3

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

C4.3a

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

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	0	0
To be implemented*	0	0
Implementation commenced*	27	1350
Implemented*	425	18047
Not to be implemented	0	0

C4.3b

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

Initiative category & Initiative type

Company policy or behavioral change	Resource efficiency

Estimated annual CO2e savings (metric tonnes CO2e)
33

Scope(s) or Scope 3 category(ies) where emissions savings occur
Scope 1

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
4874

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

Payback period
No payback

Estimated lifetime of the initiative
<1 year

Comment

Initiative category & Initiative type

Company policy or behavioral change	Resource efficiency

Estimated annual CO2e savings (metric tonnes CO2e)
3114

Scope(s) or Scope 3 category(ies) where emissions savings occur
Scope 2 (location-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
632479

Investment required (unit currency – as specified in C0.4)
1261671

Payback period
1-3 years

Estimated lifetime of the initiative
3-5 years

Comment

Initiative category & Initiative type

Energy efficiency in buildings	Motors and drives

Estimated annual CO2e savings (metric tonnes CO2e)
99

Scope(s) or Scope 3 category(ies) where emissions savings occur
Scope 1

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
6462

Investment required (unit currency – as specified in C0.4)
3073

Payback period
<1 year

Estimated lifetime of the initiative
3-5 years

Comment

Initiative category & Initiative type

Energy efficiency in buildings	Other, please specify (HVAC and Lighting)

Estimated annual CO2e savings (metric tonnes CO2e)
11522

Scope(s) or Scope 3 category(ies) where emissions savings occur
Scope 2 (location-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
2214096

Investment required (unit currency – as specified in C0.4)
4435163

Payback period
1-3 years

Estimated lifetime of the initiative
Ongoing

Comment

Initiative category & Initiative type

Energy efficiency in production processes	Other, please specify (Process Optimization)

Estimated annual CO2e savings (metric tonnes CO2e)
3169

Scope(s) or Scope 3 category(ies) where emissions savings occur
Scope 2 (location-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
738446

Investment required (unit currency – as specified in C0.4)
360521

Payback period
<1 year

Estimated lifetime of the initiative
Ongoing

Comment

Initiative category & Initiative type

Low-carbon energy generation	Solar PV

Estimated annual CO2e savings (metric tonnes CO2e)
104

Scope(s) or Scope 3 category(ies) where emissions savings occur
Scope 2 (location-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
26303

Investment required (unit currency – as specified in C0.4)
633050

Payback period
21-25 years

Estimated lifetime of the initiative
Ongoing

Comment

Initiative category & Initiative type

Transportation	Company fleet vehicle efficiency

Estimated annual CO2e savings (metric tonnes CO2e)
6

Scope(s) or Scope 3 category(ies) where emissions savings occur
Scope 2 (location-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
7047

Investment required (unit currency – as specified in C0.4)
2000

Payback period
<1 year

Estimated lifetime of the initiative
6-10 years

Comment

C4.3c

(C4.3c) What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Compliance with regulatory requirements/standards	We replaced refrigerant containing systems with more efficient ones. The Flex site in Tab, Hungary received an energy management system certificate in November 2016 for fulfilling ISO50001. Our facilities in Jaguariúna, Brazil, Manaus – PCBA, Brazil, Sorocaba, Brazil and Zhuhai, China received the RBA factory of choice certification, which is awarded to factories that fully commit to the RBA Code of Conduct and demonstrate leadership through impact and transparency.
Dedicated budget for energy efficiency	We have a dedicated budged for energy and water efficiency projects.
Employee engagement	In 2020, We marked the last year of our Flex 20 by 2020 goals outlining ten actions to encourage employees to save energy. We developed an annual program, called “Earth Day Challenge,” where we invited all our facilities to organize environmental initiatives over two consecutive weeks. As part of the program, employees are encouraged to increase awareness and support of local communities by volunteering their time and expertise. This program contributes to our 2030 Sustainability goals. Additionally, in 2021, Flex won the “Well – seen company of 2021” award in Tczew, which is granted to promote companies which run social responsible business and spread knowledge about corporate social responsibility and effective methods of communicating about company’s social activities. We also received Penang’s Sustainability & CSER Efforts recognized by Seberang Perai City Council based on the continual implementation of green practices that aligns with Majlis Bandaraya Seberang Perai (MBSP)’s goal of becoming a low carbon city by 2022.
Lower return on investment (ROI) specification	Our goal is to achieve a two-year or lower payback in energy efficiency projects and up to six years in renewable generation.
Other	We established a dedicated revolving fund for Scope 1 and 2 emissions reduction.

C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products?
Yes

C4.5a

(C4.5a) Provide details of your products and/or services that you classify as low-carbon products.

Level of aggregation
Group of products or services

Taxonomy used to classify product(s) or service(s) as low-carbon
Climate Bonds Taxonomy

Type of product(s) or service(s)

Lighting	Conventional LED

Description of product(s) or service(s)
Solar PV products including single axis trackers, high efficiency modules, inverters, smart meters, solenoids, LED lighting, and other industrial energy-saving products.

Have you estimated the avoided emissions of this low-carbon product(s) or service(s)
No

Methodology used to calculate avoided emissions
<Not Applicable>

Life cycle stage(s) covered for the low-carbon product(s) or services(s)
<Not Applicable>

Functional unit used
<Not Applicable>

Reference product/service or baseline scenario used
<Not Applicable>

Life cycle stage(s) covered for the reference product/service or baseline scenario
<Not Applicable>

Estimated avoided emissions (metric tons CO2e per functional unit) compared to reference product/service or baseline scenario
<Not Applicable>

Explain your calculation of avoided emissions, including any assumptions
<Not Applicable>

Revenue generated from low-carbon product(s) or service(s) as % of total revenue in the reporting year
5.3

C5. Emissions methodology

C5.1

(C5.1) Is this your first year of reporting emissions data to CDP?
No

C5.1a

(C5.1a) Has your organization undergone any structural changes in the reporting year, or are any previous structural changes being accounted for in this disclosure of emissions data?

Row 1

Has there been a structural change?
No

Name of organization(s) acquired, divested from, or merged with
<Not Applicable>

Details of structural change(s), including completion dates
<Not Applicable>

C5.1b

(C5.1b) Has your emissions accounting methodology, boundary, and/or reporting year definition changed in the reporting year?

	Change(s) in methodology, boundary, and/or reporting year definition?	Details of methodology, boundary, and/or reporting year definition change(s)
Row 1	Yes, a change in methodology	We have recalculated 2019 and 2020 scope 3 Use of Sold Products emissions based on a more comprehensive methodology that encompasses more of our products sold.

C5.1c

(C5.1c) Have your organization's base year emissions been recalculated as result of the changes or errors reported in C5.1a and C5.1b?

	Base year recalculation	Base year emissions recalculation policy, including significance threshold
Row 1	Yes	Flex follows the guidelines in the GHG Protocol for adjusting the base year GHG inventory. The base year inventory and other prior years' inventories will be adjusted in response to any structural changes. In the case of a merger or acquisition, the emissions from the facilities of the acquired entity will be added to prior inventories back to the base year. Base year emissions for acquired facilities will ideally be calculated using actual consumption data for the base year. If this is unavailable, the earliest year of data will be used and kept constant back to the base year. Emissions from facilities that are part of a divested business unit will be removed from prior inventories back to the base year. Prior inventories will also be adjusted in response to any errors discovered or changes in methodologies or emission factors. The base year will not be adjusted for organic growth or decline, such as increases or decreases in business activity, or opening or closing facilities when not part of a structural change. When developing each annual inventory, the Inventory Coordinator will evaluate whether any structural changes have occurred. He/she will identify the new facilities added to the facility list during the previous year and will determine whether any of the new facilities are the result of acquisitions. Separately, he/she receives a list of acquired facilities for use in energy planning, and this will be used as a check for acquisitions. He/she will determine whether any divestitures have taken place. Emission factors will be updated back to the base year if a methodology change has occurred. Once the impacts have been determined, Flex will review the implications of adjusting the base year. Prior inventories back to the base year will be adjusted, if the resulting adjustment, from any individual change or collectively from multiple changes, is more than 1% of base year emissions. Adjustments less than this threshold are considered insignificant.

C5.2

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

Scope 1

Base year start
January 1 2019

Base year end
December 31 2019

Base year emissions (metric tons CO2e)
102364

Comment

Scope 2 (location-based)

Base year start
January 1 2019

Base year end
December 31 2019

Base year emissions (metric tons CO2e)
724465

Comment

Scope 2 (market-based)

Base year start
January 1 2019

Base year end
December 31 2019

Base year emissions (metric tons CO2e)
775817

Comment

Scope 3 category 1: Purchased goods and services

Base year start
January 1 2019

Base year end
December 31 2019

Base year emissions (metric tons CO2e)
5103717

Comment

Scope 3 category 2: Capital goods

Base year start
January 1 2019

Base year end
December 31 2019

Base year emissions (metric tons CO2e)
283086

Comment

Scope 3 category 3: Fuel-and-energy-related activities (not included in Scope 1 or 2)

Base year start
January 1 2019

Base year end
December 31 2019

Base year emissions (metric tons CO2e)
200540

Comment

Scope 3 category 4: Upstream transportation and distribution

Base year start
January 1 2019

Base year end
December 31 2019

Base year emissions (metric tons CO2e)
235625

Comment

Scope 3 category 5: Waste generated in operations

Base year start
January 1 2019

Base year end
December 31 2019

Base year emissions (metric tons CO2e)
30529

Comment

Scope 3 category 6: Business travel

Base year start
January 1 2019

Base year end
December 31 2019

Base year emissions (metric tons CO2e)
24166

Comment

Scope 3 category 7: Employee commuting

Base year start
January 1 2019

Base year end
December 31 2019

Base year emissions (metric tons CO2e)
105165

Comment

Scope 3 category 8: Upstream leased assets

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment
This scope 3 category is not relevant to Flex.

Scope 3 category 9: Downstream transportation and distribution

Base year start
January 1 2019

Base year end
December 31 2019

Base year emissions (metric tons CO2e)
12401

Comment

Scope 3 category 10: Processing of sold products

Base year start
January 1 2019

Base year end
December 31 2019

Base year emissions (metric tons CO2e)
33

Comment

Scope 3 category 11: Use of sold products

Base year start
January 1 2019

Base year end
December 31 2019

Base year emissions (metric tons CO2e)
100846113

Comment

Scope 3 category 12: End of life treatment of sold products

Base year start
January 1 2019

Base year end
December 31 2019

Base year emissions (metric tons CO2e)
4138

Comment

Scope 3 category 13: Downstream leased assets

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment
This scope 3 category is not relevant to Flex.

Scope 3 category 14: Franchises

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment
This scope 3 category is not relevant to Flex.

Scope 3 category 15: Investments

Base year start
January 1 2019

Base year end
December 31 2019

Base year emissions (metric tons CO2e)
5164

Comment

Scope 3: Other (upstream)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment
This scope 3 category is not relevant to Flex.

Scope 3: Other (downstream)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment
This scope 3 category is not relevant to Flex.

C5.3

(C5.3) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.
The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)
The Greenhouse Gas Protocol: Scope 2 Guidance

C6. Emissions data

C6.1

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

Reporting year

Gross global Scope 1 emissions (metric tons CO2e)
81647

Start date
January 1 2021

End date
December 31 2021

Comment

Past year 1

Gross global Scope 1 emissions (metric tons CO2e)

Start date

End date

Comment

Past year 2

Gross global Scope 1 emissions (metric tons CO2e)

Start date

End date

Comment

C6.2

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

Row 1

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

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

Comment

C6.3

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

Reporting year

Scope 2, location-based
658024

Scope 2, market-based (if applicable)
675084

Start date
January 1 2021

End date
December 31 2021

Comment

Past year 1

Scope 2, location-based

Scope 2, market-based (if applicable)

Start date

End date

Comment

Past year 2

Scope 2, location-based

Scope 2, market-based (if applicable)

Start date

End date

Comment

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?
No

C6.5

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

Purchased goods and services

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
6331683

Emissions calculation methodology
Spend-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Please explain
Purchased goods and services cradle-to-gate emissions are calculated by combining Flex's total 2021 spend data into sector categories. The spend in each category is multiplied by sector-specific emission factors (kg CO2e per 2018 US dollar) from the U.S. EPA Supply Chain GHG Emission Factors for US Industries and Commodities (US EEIO). All GWPs are IPCC Second Assessment Report (AR4 - 100 year).

Capital goods

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
266457

Emissions calculation methodology
Spend-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Please explain
Capital goods cradle-to-gate emissions are calculated by combining Flex's total 2021 spend data into sector categories. The spend in each category is multiplied by sector-specific emission factors (kg CO2e per 2018 US dollar) from the U.S. EPA Supply Chain GHG Emission Factors for US Industries and Commodities (US EEIO). All GWPs are IPCC Second Assessment Report (AR4 - 100 year).

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

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
215690

Emissions calculation methodology
Other, please specify (Energy data-based method)

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

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

Upstream transportation and distribution

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
345576

Emissions calculation methodology
Supplier-specific method

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

Please explain
The emissions for upstream transportation and distribution includes emissions from Flex's main logistics providers. Each logistics provider provided the emissions that were attributed to Flex, using standard calculation methodologies. Emissions from the distribution phase are split between upstream and downstream transportation based on the assumption that 90% of logistics shipping is inbound (upstream), and that Flex pays for 50% of outbound transportation, leaving 5% to downstream transportation.

Waste generated in operations

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
28566

Emissions calculation methodology
Waste-type-specific method

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

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

Business travel

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
4684

Emissions calculation methodology
Distance-based method

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

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

Employee commuting

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
96112

Emissions calculation methodology
Distance-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Please explain
Emissions from commuting include emissions from a portion of employees utilizing shuttles that transport employees to and from work, as well as emissions based on employees travelling to and from work in their own vehicles. Shuttle emissions are calculated based on the miles travelled, fuel consumed, and fuel type, per shuttle route. The remainder of commuting emissions were based on a commuting survey completed by a portion of Flex's employees. Information collected included distance travelled to work, number of days employees commute to work, and mode of transportation. Based on this analysis, commuting emissions per responding employee were calculated. This value was then applied to remaining employees to extrapolate emissions for all employees. 2021 commuting emissions were adjusted by reducing the emissions in proportion to the percentage of employees that worked from home in 2021 due to the Coronavirus Pandemic. Note, the majority of Flex's employees are direct labor, that largely continued working at Flex sites in 2021.Total emissions for each mode of transportation, plus the shuttle emissions, were calculated using emission factors and methodologies from EPA Emission Factors for Greenhouse Gas Inventories, Climate Leaders Mobile Source Guidance, Climate Leaders Business Travel and Commuting Guidance, and Guidelines to Defra / DECC's GHG Conversion Factors for Company Reporting. GWPs are IPCC Fourth Assessment Report (AR4 - 100 year).

Upstream leased assets

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

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

Downstream transportation and distribution

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
18188

Emissions calculation methodology
Supplier-specific method

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

Please explain
The emissions for downstream transportation and distribution includes emissions from Flex's main logistics providers. Each logistics provider provided the emissions that were attributed to Flex, using standard calculation methodologies. Emissions from the distribution phase are split between upstream and downstream transportation based on the assumption that 90% of logistics shipping is inbound (upstream), and that Flex pays for 50% of outbound transportation, leaving 5% to downstream transportation.

Processing of sold products

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
58

Emissions calculation methodology
Average product method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Please explain
Flex does not have primary data on the processing of their sold products. Therefore, assumptions were made to estimate the emissions associated with processing Flex's sold products. The number of Flex sold products that require additional processing was multiplied by the assumed electricity used per product to process Flex's product. This assumed electricity is based on research of electricity usage in a "pick and place" machine. Data on number of sold products was collected for a subset of all sold products; emissions were then adjusted based on the revenue of sold products with data vs all sold products. Emissions are calculated from this electricity and are from EPA's eGRID2020 US Average emission factors or International Energy Agency regional emission factors. GWPs are IPCC Fourth Assessment Report (AR4 - 100 year).

Use of sold products

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
96331749

Emissions calculation methodology
Average product method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Please explain
Flex estimates use of sold products emissions by categorizing our thousands of sold products into standard product categories. These product categories are assigned an annual electricity consumption value based on research and actual Flex data. The number of products sold per category is multiplied by the annual electricity consumption and the assumed lifetime of the product, which is based on Flex market segment data. Data on number of sold products was collected for a subset of all sold products; emissions were then adjusted based on the revenue of sold products with data vs all sold products. Emissions are calculated from this electricity and are from EPA's eGRID2020 US Average emission factors or International Energy Agency regional emission factors. GWPs are IPCC Fourth Assessment Report (AR4 - 100 year).

End of life treatment of sold products

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
13293

Emissions calculation methodology
Average product method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Please explain
Flex estimates the end of life emissions of our sold products by categorizing our thousands of sold products into standard product categories. These product categories are assigned a weight and material type based on research and actual Flex data. The number of products sold per category and material type is multiplied by the weight of each product category, to calculate total products disposed. We assume all products are landfilled; therefore, all emissions are from the result of landfilling our products. Data on number of sold products was collected for a subset of all sold products; emissions were then adjusted based on the revenue of sold products with data vs all sold products We calculate emissions from these disposed products using methodologies and emission factors from the EPA's Waste Reduction Model (WARM). This model calculates emissions based on a life cycle analysis, including emissions from the long-term decomposition of waste in a landfill or from upstream sources/sinks. GWPs are IPCC Fourth Assessment Report (AR4 - 100 year).

Downstream leased assets

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Emissions in this category are not relevant, because we do not have owned spaced that is leased to others. Therefore, emissions from downstream leased assets constitute 0% of our scope 3 emissions

Franchises

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

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

Investments

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
11291

Emissions calculation methodology
Average data method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Please explain
Investment emissions were calculated based on the investments where Flex owns more than 20% of the investee company. The emissions calculation was made using the U.S. EPA Supply Chain GHG Emission Factors for US Industries and Commodities (US EEIO).

Other (upstream)

Evaluation status
Not evaluated

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Emissions in this category are not relevant, because Flex categorizes all other indirect emissions into one of the defined 15 scope 3 categories. Therefore, emissions from Other (upstream) constitute 0% of our scope 3 emissions.

Other (downstream)

Evaluation status
Not evaluated

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Emissions in this category are not relevant, because Flex categorizes all other indirect emissions into one of the defined 15 scope 3 categories. Therefore, emissions from Other (downstream) constitute 0% of our scope 3 emissions.

C6.5a

(C6.5a) Disclose or restate your Scope 3 emissions data for previous years.

Past year 1

Start date
January 1 2020

End date
December 31 2020

Scope 3: Purchased goods and services (metric tons CO2e)
5420078

Scope 3: Capital goods (metric tons CO2e)
218920

Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)
153325

Scope 3: Upstream transportation and distribution (metric tons CO2e)
230715

Scope 3: Waste generated in operations (metric tons CO2e)
26249

Scope 3: Business travel (metric tons CO2e)
4692

Scope 3: Employee commuting (metric tons CO2e)
95110

Scope 3: Upstream leased assets (metric tons CO2e)

Scope 3: Downstream transportation and distribution (metric tons CO2e)
12143

Scope 3: Processing of sold products (metric tons CO2e)
35

Scope 3: Use of sold products (metric tons CO2e)
95824959

Scope 3: End of life treatment of sold products (metric tons CO2e)
5266

Scope 3: Downstream leased assets (metric tons CO2e)

Scope 3: Franchises (metric tons CO2e)

Scope 3: Investments (metric tons CO2e)
11549

Scope 3: Other (upstream) (metric tons CO2e)

Scope 3: Other (downstream) (metric tons CO2e)

Comment

Past year 2

Start date
January 1 2019

End date
December 31 2019

Scope 3: Purchased goods and services (metric tons CO2e)
5103717

Scope 3: Capital goods (metric tons CO2e)
283086

Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)
200540

Scope 3: Upstream transportation and distribution (metric tons CO2e)
235625

Scope 3: Waste generated in operations (metric tons CO2e)
30529

Scope 3: Business travel (metric tons CO2e)
24166

Scope 3: Employee commuting (metric tons CO2e)
105165

Scope 3: Upstream leased assets (metric tons CO2e)

Scope 3: Downstream transportation and distribution (metric tons CO2e)
12401

Scope 3: Processing of sold products (metric tons CO2e)
33

Scope 3: Use of sold products (metric tons CO2e)
100846133

Scope 3: End of life treatment of sold products (metric tons CO2e)
4138

Scope 3: Downstream leased assets (metric tons CO2e)

Scope 3: Franchises (metric tons CO2e)

Scope 3: Investments (metric tons CO2e)
5164

Scope 3: Other (upstream) (metric tons CO2e)

Scope 3: Other (downstream) (metric tons CO2e)

Comment

C6.7

(C6.7) Are carbon dioxide emissions from biogenic carbon relevant to your organization?
Yes

C6.7a

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

	CO2 emissions from biogenic carbon (metric tons CO2)	Comment
Row 1	4.5	

C6.10

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

Intensity figure
0.00002912

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)
739671

Metric denominator
unit total revenue

Metric denominator: Unit total
25400000000

Scope 2 figure used
Location-based

% change from previous year
5

Direction of change
Decreased

Reason for change
Scope 1 and 2 location-based gross emissions increased by 3%. The 9% increase in revenue from 2020 result in an overall 5% decrease in gross location-based GHG intensity per dollar of revenue. In addition to the decrease in emissions and revenue, the decrease in gross GHG intensity per dollar of revenue can be attributed to the 452 implemented and implemented commenced emission reduction activities. These emission reduction activities saved over 19,000 metric tons CO2e in 2021.

C7. Emissions breakdowns

C7.1

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

C7.1a

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

Greenhouse gas	Scope 1 emissions (metric tons of CO2e)	GWP Reference
CO2	76843	IPCC Fourth Assessment Report (AR4 - 100 year)
CH4	41	IPCC Fourth Assessment Report (AR4 - 100 year)
N2O	79	IPCC Fourth Assessment Report (AR4 - 100 year)
HFCs	4684	IPCC Fourth Assessment Report (AR4 - 100 year)

C7.2

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

Country/Region	Scope 1 emissions (metric tons CO2e)
China	6589
Mexico	36428
Malaysia	2870
United States of America	13313
Other, please specify (Rest of the world)	22447

C7.3

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

C7.3c

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

Activity	Scope 1 emissions (metric tons CO2e)
Stationary Combustion	71827
Mobile Combustion	5136
Fugitive Emissions	4684

C7.5

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

Country/Region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
China	253676	311730
Mexico	89225	94891
Malaysia	108770	95895
United States of America	61380	49122
Other, please specify (Rest of the world)	144973	123446

C7.6

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

By activity

C7.6c

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

Activity	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Purchased Electricity	655676	672736
Purchased Steam	2348	2348

C7.9

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

Increased

C7.9a

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

	Change in emissions (metric tons CO2e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	4568	Decreased	1	One way Flex has reduced market-based emissions is by purchasing electricity through contracts with suppliers supported by energy attribute certificates. The resulting market-based emission reduction was 4,568 metric tons CO2e, divided by our total reported emissions in the previous year of 704,688 metric tons CO2e gives a 1% reduction (-4,568/704,688)*100 = -1%.)
Other emissions reduction activities	18047	Decreased	3	Flex implements energy efficiency projects resulting in a market-based emission reduction of 18,047 metric tons CO2e, divided by our total reported emissions in the previous year of 704,688 metric tons CO2e gives an 8% reduction (-18,047/704,688)*100 = -3%.)
Divestment		<Not Applicable>		
Acquisitions		<Not Applicable>		
Mergers		<Not Applicable>		
Change in output		<Not Applicable>		
Change in methodology	74658	Increased	11	Improved data quality, increased business activity, and more supplier-specific emission factors have contributed to an increase of 11% in market-based emissions. The greening of the grid helped offset this increase. The increase was 74,658 metric tons CO2e, divided by our total reported emissions in the previous year of 704,688 metric tons CO2e gives a 5% reduction (74,658/704,688)*100 = 11%.)
Change in boundary		<Not Applicable>		
Change in physical operating conditions		<Not Applicable>		
Unidentified		<Not Applicable>		
Other		<Not Applicable>		

C7.9b

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

Market-based

C8. Energy

C8.1

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

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

C8.2

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

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	No
Consumption of purchased or acquired steam	Yes
Consumption of purchased or acquired cooling	No
Generation of electricity, heat, steam, or cooling	Yes

C8.2a

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

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	HHV (higher heating value)	19	419176	419195
Consumption of purchased or acquired electricity	<Not Applicable>	27731	1318106	1345837
Consumption of purchased or acquired heat	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired steam	<Not Applicable>	0	4082	4082
Consumption of purchased or acquired cooling	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of self-generated non-fuel renewable energy	<Not Applicable>	20209	<Not Applicable>	20209
Total energy consumption	<Not Applicable>	47959	1741364	1789323

C8.2b

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

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	Yes
Consumption of fuel for the generation of heat	No
Consumption of fuel for the generation of steam	No
Consumption of fuel for the generation of cooling	No
Consumption of fuel for co-generation or tri-generation	Yes

C8.2c

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

Sustainable biomass

Heating value
HHV

Total fuel MWh consumed by the organization
19

MWh fuel consumed for self-generation of electricity
0

MWh fuel consumed for self-generation of heat
19

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

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

Comment

Other biomass

Heating value
HHV

Total fuel MWh consumed by the organization
0

MWh fuel consumed for self-generation of electricity
0

MWh fuel consumed for self-generation of heat
0

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

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

Comment

Other renewable fuels (e.g. renewable hydrogen)

Heating value
HHV

Total fuel MWh consumed by the organization
0

MWh fuel consumed for self-generation of electricity
0

MWh fuel consumed for self-generation of heat
0

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

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

Comment

Coal

Heating value
HHV

Total fuel MWh consumed by the organization
0

MWh fuel consumed for self-generation of electricity
0

MWh fuel consumed for self-generation of heat
0

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

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

Comment

Oil

Heating value
HHV

Total fuel MWh consumed by the organization
31023

MWh fuel consumed for self-generation of electricity
0

MWh fuel consumed for self-generation of heat
31023

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

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

Comment

Gas

Heating value
HHV

Total fuel MWh consumed by the organization
388153

MWh fuel consumed for self-generation of electricity
23116

MWh fuel consumed for self-generation of heat
212117

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration
152920

Comment

Other non-renewable fuels (e.g. non-renewable hydrogen)

Heating value
HHV

Total fuel MWh consumed by the organization
0

MWh fuel consumed for self-generation of electricity
0

MWh fuel consumed for self-generation of heat
0

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

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

Comment

Total fuel

Heating value
HHV

Total fuel MWh consumed by the organization
419195

MWh fuel consumed for self-generation of electricity
23116

MWh fuel consumed for self-generation of heat
243159

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration
152920

Comment

C8.2d

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

	Total Gross generation (MWh)	Generation that is consumed by the organization (MWh)	Gross generation from renewable sources (MWh)	Generation from renewable sources that is consumed by the organization (MWh)
Electricity	92091	92091	20209	20209
Heat	0	0	0	0
Steam	0	0	0	0
Cooling	0	0	0	0

C8.2e

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

Sourcing method
Green electricity products from an energy supplier (e.g. green tariffs)

Energy carrier
Electricity

Low-carbon technology type
Wind

Country/area of low-carbon energy consumption
United States of America

Tracking instrument used
Contract

Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)
9546

Country/area of origin (generation) of the low-carbon energy or energy attribute
United States of America

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

Comment

Sourcing method
Green electricity products from an energy supplier (e.g. green tariffs)

Energy carrier
Electricity

Low-carbon technology type
Hydropower (capacity unknown)

Country/area of low-carbon energy consumption
Austria

Tracking instrument used
Contract

Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)
10339

Country/area of origin (generation) of the low-carbon energy or energy attribute
Austria

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

Comment

Sourcing method
Green electricity products from an energy supplier (e.g. green tariffs)

Energy carrier
Electricity

Low-carbon technology type
Renewable energy mix, please specify (Wind, Solar, Biomass, and Hydro)

Country/area of low-carbon energy consumption
Ireland

Tracking instrument used
Contract

Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)
6170

Country/area of origin (generation) of the low-carbon energy or energy attribute
Ireland

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

Comment

Sourcing method
Green electricity products from an energy supplier (e.g. green tariffs)

Energy carrier
Electricity

Low-carbon technology type
Hydropower (capacity unknown)

Country/area of low-carbon energy consumption

Netherlands

Tracking instrument used
Contract

Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)
844

Country/area of origin (generation) of the low-carbon energy or energy attribute
Netherlands

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)
2020

Comment

Sourcing method
Green electricity products from an energy supplier (e.g. green tariffs)

Energy carrier
Electricity

Low-carbon technology type
Wind

Country/area of low-carbon energy consumption
Denmark

Tracking instrument used
Contract

Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)
832

Country/area of origin (generation) of the low-carbon energy or energy attribute
Denmark

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)
2021

Comment

C8.2g

(C8.2g) Provide a breakdown of your non-fuel energy consumption by country.

Country/area
China

Consumption of electricity (MWh)
408265

Consumption of heat, steam, and cooling (MWh)
4082

Total non-fuel energy consumption (MWh) [Auto-calculated]
412347

Is this consumption excluded from your RE100 commitment?
<Not Applicable>

Country/area
Mexico

Consumption of electricity (MWh)
229380

Consumption of heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]
229380

Is this consumption excluded from your RE100 commitment?
<Not Applicable>

Country/area
Malaysia

Consumption of electricity (MWh)
163614

Consumption of heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]
163614

Is this consumption excluded from your RE100 commitment?
<Not Applicable>

Country/area
United States of America

Consumption of electricity (MWh)
155828

Consumption of heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]
155828

Is this consumption excluded from your RE100 commitment?
<Not Applicable>

Country/area
Other, please specify (Rest of world)

Consumption of electricity (MWh)
408960

Consumption of heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]
408960

Is this consumption excluded from your RE100 commitment?
<Not Applicable>

C9. Additional metrics

C9.1

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

C10. Verification

C10.1

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

	Verification/assurance status
Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place
Scope 3	Third-party verification or assurance process in place

C10.1a

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

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
DNV Final Assurance Statement_7 July 2022.pdf

Page/ section reference
Whole document

Relevant standard
ISAE3000

Proportion of reported emissions verified (%)
100

C10.1b

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

Scope 2 approach
Scope 2 location-based

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
DNV Final Assurance Statement_7 July 2022.pdf

Page/ section reference
Whole document

Relevant standard
ISAE3000

Proportion of reported emissions verified (%)
100

Scope 2 approach
Scope 2 market-based

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
DNV Final Assurance Statement_7 July 2022.pdf

Page/ section reference
Whole document

Relevant standard
ISAE3000

Proportion of reported emissions verified (%)
100

C10.1c

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

Scope 3 category
Scope 3: Purchased goods and services
Scope 3: Capital goods
Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2)
Scope 3: Waste generated in operations
Scope 3: Business travel
Scope 3: Employee commuting
Scope 3: Investments
Scope 3: Downstream transportation and distribution
Scope 3: Processing of sold products
Scope 3: Use of sold products
Scope 3: End-of-life treatment of sold products

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
DNV Final Assurance Statement_7 July 2022.pdf

Page/section reference
Whole document

Relevant standard
ISAE3000

Proportion of reported emissions verified (%)
100

C10.2

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

C10.2a

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

Disclosure module verification relates to	Data verified	Verification standard	Please explain
C6. Emissions data	Year on year change in emissions (Scope 1 and 2)	ISAE3000	The 2021 vs 2020 change in scope 1 and location-based scope 2 emissions, as well as scope 1 and market-based scope 2 emissions were verified. DNV Final Assurance Statement_7 July 2022.pdf
C6. Emissions data	Year on year change in emissions (Scope 3)	ISAE3000	The 2021 vs 2020 change in scope 3 emissions were verified for Fuel- and Energy-Related Activities, Waste, and Business Travel DNV Final Assurance Statement_7 July 2022.pdf
C8. Energy	Energy consumption	ISAE3000	The total energy consumed in 2021 was verified. FLEX002_ANNUAL_REPORT_2021_Bookmarked_Final.pdf
C8. Energy	Other, please specify (Use of renewable energy (MW))	ISAE3000	The use of renewable energy (MW) in 2021 was verified. FLEX002_ANNUAL_REPORT_2021_Bookmarked_Final.pdf

C11. Carbon pricing

C11.1

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

C11.1a

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

C11.1b

(C11.1b) Complete the following table for each of the emissions trading schemes you are regulated by.

Shenzhen pilot ETS

% of Scope 1 emissions covered by the ETS
0.3

% of Scope 2 emissions covered by the ETS
5

Period start date
January 1 2021

Period end date
December 31 2021

Allowances allocated
40099

Allowances purchased
0

Verified Scope 1 emissions in metric tons CO2e
260

Verified Scope 2 emissions in metric tons CO2e
33936

Details of ownership
Facilities we own and operate

Comment
The Carbon Emission Factors is 0.9489 calculated by government for ETS.

C11.1d

(C11.1d) What is your strategy for complying with the systems you are regulated by or anticipate being regulated by?

Flex Shenzhen is strategically located in a city which is also known as “Silicon Valley” of China and the pioneer city of China’s economy. Our three manufacturing sites in Gushu, Fuyong and Shiyan and two offices in Nanshan (R&D and Global Business Services) offer complete technology and supply chain solutions to our internal and external customers across multiple industries. Flex’s strategy for complying with the Shenzhen pilot Emissions Trading Scheme (ETS) is to stay under the cap by implementing energy efficiency measures in operations and optimizing production processes at the three sites covered by this ETS. We measure and monitor our emissions to ensure that we have not exceeded regulatory limits. As a case study, in FY21, we continued to apply our strategy through significant conservation and efficiency efforts throughout our Fuyong facility. We continuously measure and monitor our emissions to ensure that we have not exceeded the set emissions limit (Balance: 9042), while, at the same time, implementing continuous energy saving kaizen, energy efficiency techniques. In the past year we have implemented the following initiatives: (1) Installed the CDA SMART control system which allows for heat energy recycling; (2) Updated the cooling tower and relocated it to the B2 plant; (3) Installed the CDA waste heat utilization system; (4) Held an electricity saving kaizen for split air conditioners for canteen purposes; (5) Added timers to lighting, washing machines, water dispensers, and other electrical facilities. Under this strategy, Flex has remained compliant with the Shenzhen pilot ETS since 2013 and greatly reduced its energy consumption and emissions output. In FY22, we took the following actions in our GuShu site in order to comply with the pilot ETS through energy efficiency measures in site operations: (1) Add timer controller for air conditioner and lighting system, (2) replace the old lighting tubes with LED in common areas, and (3) setup pressure monitoring and alarm system for compressor system.

C11.2

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

C11.2a

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

Credit origination or credit purchase
Credit purchase

Project type
Hydro

Project identification
3309 Sichuan Muchuan County Huogu Hydropower Project

Verified to which standard
CDM (Clean Development Mechanism)

Number of credits (metric tonnes CO2e)

4500

Number of credits (metric tonnes CO2e): Risk adjusted volume
4500

Credits cancelled
Yes

Purpose, e.g. compliance
Voluntary Offsetting

Credit origination or credit purchase
Credit purchase

Project type
Wind

Project identification
5344 Electricity Generation through Wind Power by SRHHL

Verified to which standard
CDM (Clean Development Mechanism)

Number of credits (metric tonnes CO2e)
2964

Number of credits (metric tonnes CO2e): Risk adjusted volume
2964

Credits cancelled
Yes

Purpose, e.g. compliance
Voluntary Offsetting

Credit origination or credit purchase
Credit purchase

Project type
Wind

Project identification
7980 Burgos Wind Project

Verified to which standard
CDM (Clean Development Mechanism)

Number of credits (metric tonnes CO2e)
1035

Number of credits (metric tonnes CO2e): Risk adjusted volume
1035

Credits cancelled
Yes

Purpose, e.g. compliance
Voluntary Offsetting

Credit origination or credit purchase
Credit purchase

Project type
Other, please specify (Natural gas based combined cycle power)

Project identification
1300 155 MW Gas based combined cycle power project at Hazira

Verified to which standard
CDM (Clean Development Mechanism)

Number of credits (metric tonnes CO2e)
4302

Number of credits (metric tonnes CO2e): Risk adjusted volume
4302

Credits cancelled
Yes

Purpose, e.g. compliance
Voluntary Offsetting

C11.3

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

C12. Engagement

C12.1

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

C12.1a

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

Type of engagement
Innovation & collaboration (changing markets)

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

% of suppliers by number
7

% total procurement spend (direct and indirect)
80

% of supplier-related Scope 3 emissions as reported in C6.5

Rationale for the coverage of your engagement
We convey our requirements to suppliers through due diligence assessments, on-site audits, and social and environmental training. In 2021, our supplier due diligence assessments increased by 8.67% increase in supplier due diligence assessments from previous year, 2,419 completed social and environmental assessments. We screen new global suppliers by auditing health and safety, environmental, business ethics and management systems data, using Elevate Limited, a tool provided by the RBA. In 2021, we conducted 167 initial audits (including 37 remote and 130 onsite) and 8 follow-up audits (including 4 remote, 4 onsite) Trainings provide a critical opportunity for us to strengthen our relationship with suppliers and further encourage innovation to reduce climate impacts. They create an opportunity for us to meet face to face for information sharing and discussion. In 2021, 695 attendees, representing 424 suppliers, received training on our social and environmental expectations for suppliers, our Supply Chain Social and Environmental Management Program, and the updated RBA standards, including the GHG program providing some overview and concepts about it. Due to COVID-19 all the trainings were conducted online. We selected these suppliers because they were (1) local to our campus, (2) represented a diverse cross-section of our supplier base, or (3) were labor agency suppliers.

Impact of engagement, including measures of success
One way we convey our requirements to suppliers is through on-site and online social and environmental training, which also provides an opportunity for both Flex and our suppliers to meet face to face for information sharing and discussion. In 2021, Flex conducted online trainings in Shenzhen, Zhuhai, Americas and Europe regions. Beneficial outcomes of trainings include: (1) increased understanding of Flex social and environmental expectations for suppliers, our Supply Chain Social and Environmental Management Program, and the updated RBA standards and (2) sharing of best practices on social and environmental management, and (3) risk mitigation (4) GHG knowledge and future adoption. Since 2010, total more than 5,294 supplier personnel, have been trained on the Flex and RBA social and environmental standards.

Flex measures of success include at least 400, including all new, manufacturers, indirect procurement suppliers and on-site service providers that were trained throughout the year, the same number or more of due diligence assessments compared to the previous year, and the completion of more than 100 onsite and follow-up audits. In 2021, 695 supplier personnel, representing 424 suppliers were trained. We also conducted 2,419 due diligence assessments and 741 new global supplier screenings.

In 2021, all 13 of the labor agencies that we used for dispatched workers this year, which were located in China, were physically audited. Agents are approved or rejected as Flex partners with suppliers based on their audit results, and only approved agents are able to conduct business with our organization. In 2021, we conducted 167 initial audits (including 37 remote and 130 onsite) and 8 follow-up audits (including 4 remote, 4 onsite) focused on suppliers located in high-risk regions. Additionally, our indirect procurement team started working with our indirect suppliers and service providers to expand our on-site assessment scope to ensure that these suppliers are compliant with Flex standards and the RBA Code of Conduct.

During 2021, we assessed 95 on-site service providers applying a SAQ where no findings were reported. In 2022, we are targeting to increase our audit program and add 97 on-site service suppliers already identified into the assessment process.
During 2021, we assessed 95 on-site service providers applying a SAQ where no findings were reported.

Comment

Type of engagement
Engagement & incentivization (changing supplier behavior)

Details of engagement
Run an engagement campaign to educate suppliers about climate change
Provide training, support, and best practices on how to make credible renewable energy usage claims

% of suppliers by number
100

% total procurement spend (direct and indirect)
100

% of supplier-related Scope 3 emissions as reported in C6.5

Rationale for the coverage of your engagement
While conducting business with or on behalf of Flex, our suppliers and our employees, agents, and subcontractors must understand and adhere to our Supplier Code of Conduct ("Code") which is based on ISO 14001 and the Eco Management and Audit System (EMAS) and is aligned with the Responsible Business Alliance (RBA) standards. We expect all our suppliers to implement appropriate and effective policies to ensure compliance with the code and all relevant laws and regulations. The code applies to all suppliers including, but not limited to, those engaged in:
• Manufacturing products, packaging, parts, components, subassemblies, materials or otherwise involved in processes related to any of the foregoing; and
• Providing services to, or on behalf of Flex, regardless of type, location or duration.
Adoption of compliance to the Responsible Business Alliance Code of Conduct ("RBA Code") is fundamental to the code. The RBA embodies a set of standards on social, environmental and ethical issues in the supply chain. Our standards exceed those of the RBA Code. We require additional compliance with respect to the social and environmental responsibility requirements. The RBA Code states that energy consumption and all relevant Scope 1 and Scope 2 greenhouse gas emissions are to be tracked and documented, at the facility and/or corporate level. Participants are to look for cost- effective methods to improve energy efficiency and to minimize their energy consumption and greenhouse gas emissions.

Impact of engagement, including measures of success
Our aim is to leverage the magnitude of our supply chain to make a positive impact in our industry and communities. We strive to do this by continuously monitoring our supply chain to ensure its compliance with our social and environmental standards which exceed RBA standards. Through supplier screening, self-assessment questionnaires, onsite audits and supplier trainings, we ensure the continuity and effectiveness of supplier social and environmental activities and mitigate potential risks. Beneficial outcomes include: (1) increased awareness and improved supplier reporting (2) supply chain resiliency, and (3) reduced supply chain risk. Flex measures of success include: 741 new global suppliers screened using Elevate, a RBA tool, 8.67% increase in supplier due diligence assessments from previous year, 456 2,419 completed social and environmental assessments, and 424 suppliers trained on social and environmental / RBA requirements, that composes 695 supplier personnel. In 2021, 13 labor agencies used for dispatched workers last year 2021, which are located in China, were physically audited. Agents are approved or rejected as Flex partners with suppliers based on their audit results, and only approved agents are able to conduct business with our organization. We also pivoted to conduct more of our supplier audits remotely. Throughout last year, we conducted 167 initial audits (including 37 remote and 130 onsite) and 8 follow-up audits (including 4 remote, 4 onsite) focused on suppliers located in high-risk.

Comment
Flex ensures that all suppliers have knowledge of our supplier code of conduct and standard terms and conditions of purchase, which can be found on our public website.

Type of engagement
Other, please specify (Compliance & Onboarding)

Details of engagement
Other, please specify (Included climate change in supplier selection/management mechanism)

% of suppliers by number
3

% total procurement spend (direct and indirect)
42

% of supplier-related Scope 3 emissions as reported in C6.5

Rationale for the coverage of your engagement
Our worldwide supply chain embraces roughly 16,000 direct, indirect and vertically integrated suppliers, most of whom are controlled by our customers. For top suppliers where we have control, we have developed a Preferred Supplier Program (PSP) based on commodity, unique capabilities, spend and commercial negotiations. In 2021, there were 420 suppliers in our PSP, of which 79% have been assessed via our Self-Assessment Questionnaire (SAQ). Flex's supplier SAQ contains questions related to the measurement, monitoring and existence of systems to reduce impacts from water use, discharge, air emissions (e.g., VOCs, ozone depleting substances, GHG emissions), energy use, waste, and hazardous materials.

Impact of engagement, including measures of success
In order to be included in Flex's PSP program, suppliers are required to meet key criteria established by a cross-functional team of senior leaders. All suppliers must (1) implement appropriate and effective policies to ensure compliance with our Supplier Code of Conduct, which aligns with the Responsible Business Alliance Code of Conduct ("RBA Code") and (2) be approved via our supplier qualification process which covers several key elements, including business, capacity and capability, quality systems, sustainability, product/ process environmental compliance and supply chain security.. For example, suppliers in Flex's PSP measure, monitor and have systems in place to reduce impacts from water use, discharge, air emissions (e.g., VOCs, ozone depleting substances, GHG emissions), energy use, waste, and hazardous materials. PSP suppliers are also required to complete our self-assessment questionnaire (SAQ) so we can validate their commitment to supporting and respecting the standards of social, environmental and ethical issues in the supply chain. Our measures of success include: (1) 79% of PSP suppliers assessed, (2) 42% spend represented by PSP suppliers, (3) 333 PSL suppliers completing our SAQ, (4) conducted 167 initial audits (including 37 remote and 130 onsite), (5) and 8 follow-up audits (including 4 remote, 4 onsite).

Comment

Type of engagement
Information collection (understanding supplier behavior)

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

% of suppliers by number
4.4

% total procurement spend (direct and indirect)
73.46

% of supplier-related Scope 3 emissions as reported in C6.5

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

Impact of engagement, including measures of success
Flex's strategic suppliers for logistics are evaluated quarterly based on their environmental sustainability capabilities, including their ability to report greenhouse gas (GHG) emissions based on freight they moved for us. This review is undertaken to ensure that logistics providers are measuring and monitoring GHG emissions and publishing

annual corporate social responsibility reports. Our measures of success include: (1) # strategic suppliers, (2) # quarterly scorecard reviews, (3) # suppliers able to allocate their GHG emissions to us.

Comment

C12.1b

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

Type of engagement & Details of engagement

Education/information sharing	Run an engagement campaign to educate customers about the climate change impacts of (using) your products, goods, and/or services

% of customers by number
70

% of customer - related Scope 3 emissions as reported in C6.5
48

Please explain the rationale for selecting this group of customers and scope of engagement
As a B2B business, Flex serves customers across diverse industries, including automotive, telecom, enterprise compute, consumer, home appliances, connected living, energy, healthcare and industrial. Aligned to Flex's 2030 sustainability strategy, we develop customer awareness initiatives around circular economy that help our customers to understand their own carbon footprint and prioritize carbon reduction activities. Businesses are being held to a much higher standard for how and where their products are sourced and produced, and increasingly, how they are disposed. Through our circular economy solutions, we further partner with customers—from design innovation and advanced manufacturing to aftermarket services and end-of-life—to minimize environmental impact across the product lifecycle. We view our circular economy solutions as a way to provide additional value to our customers as well as create new opportunities for Flex. We recognize the importance of transparency and accountability. The trust we've built with our stakeholders is based on their ability to see and rely on our results consistently. Flex engages top electronic manufacturing customers which benefit from our global logistics services that incorporate the principles of circular economy and include: (1) repair and refurbishment of a range of electronic devices, and (2) advanced analytical solutions, such as in our recently piloted CO2 calculator, that enable our customers to quantify carbon embedded in their products and better understand CO2e impacts of different product end-of use decision options. The group of customers who were, for example, part of our CO2 calculator pilot, included hardware producing tech companies with ambitious carbon reduction targets, and customers willing to better understand CO2e impacts across their value chain and involved in circular economy related organizations, such as the Ellen MacArthur Foundation. The scope of engagement included sharing the early version of our new CO2 calculator with the targeted group of our customers, demonstrating and discussing how the tool could impact the lifecycle emissions of our customer's products. The product specific data and perspectives provided by our circular economy customers enabled Flex to adapt the CO2 tool and launch it in 2021 for the broader market.

Impact of engagement, including measures of success
Flex engages customers by providing circular economy solutions to minimize the carbon impacts associated with our customers' products, maximize their product's value recovery, and ensure sustainability stewardship. Our measures of success: (1) In 2022, Flex received Frost and Sullivan's 2022 Manufacturing Leadership Award for Sustainability Leadership, (2) 45M revenue associated with circular economy solutions, (3) we did environmental assessment including CO2, water, energy and material circularity for more than 25 products from different customers using CO2 calculator, (4) reduce % emissions reduced by customers by at least 75% using Flex circular economy solutions. Company-specific description of the impact of climate-related engagement strategy: (1) Thanks to the innovative work of Sinctronics, Flex's funded company, received Frost and Sullivan's 2022 Manufacturing Leadership Award for Sustainability Leadership and in 2021 we received an Ericsson Supplier Sustainability Award in recognition of our leadership in climate action through sustainable efforts in managing our supply chain. Sinctronics uses reverse logistics and repair of a range of electronic devices to transform e-waste into raw materials, resulting in 97% of recovered material being put back into the supply chain; (2) Flex estimates that the total revenue associated with current and planned circular economy solutions, including the newly piloted CO2 calculator, ECO2, to be around 45M; (3) To launch our new CO2 calculator, Flex engaged our top electronic manufacturing customers with ambitious carbon reduction targets, and customers willing to better understand CO2e impacts across their value chain and involved in circular economy related organizations, such as the Ellen MacArthur Foundation. Flex expects to grow our customer base interested in using the calculator to develop more informed decisions and prioritize their carbon reduction measures; (4) Our circular economy services represent an opportunity to help our customers reduce CO2e impacts associated with their products. In 2021, Flex refurbishment and remarketing of returned and off-lease products reduced CO2e by up to 90% compared with the development of new products and by 70% via parts harvesting to re-manufacture refurbished units versus the development of new parts.

Type of engagement & Details of engagement

Collaboration & innovation	Run a campaign to encourage innovation to reduce climate change impacts

% of customers by number
70

% of customer - related Scope 3 emissions as reported in C6.5
48

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

Impact of engagement, including measures of success
By way of example, we have collaborated with a key customer -- a major networking equipment company -- to optimize their burn-in and testing protocols to minimize energy loads and reduce related GHG emissions. Process optimization and reduction of energy and related GHG emissions are examples of the beneficial outcomes of our engagement with key customers. Measures of success for this engagement include: (1) net reduction in energy consumption, (2) net reduction in related GHG emissions, (3) related cost-savings.

C12.1d

(C12.1d) Give details of your climate-related engagement strategy with other partners in the value chain.

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

We use multiple communication channels to inform stakeholders, including written communication, meetings, regular and specialized reports, contracts, surveys, and other methods. The frequency of communication varies depending on the topic and business process. Engagement may be daily, monthly, quarterly, annually or as needed to keep an open dialog with all stakeholders. For a case study, Flex runs annual Investor & Analyst Day events where we share an update on our long-term strategy, segment strategies, and our progress for the past year, also featuring our progress on sustainability, specifically our progress towards GHG and energy reduction targets. Then we strive to incorporate these priorities into our business and corporate sustainability strategy. In 2021, key topics included environmental performance, working hours and conditions, social and environmental supply chain management, local communities, integrity/ethics, company performance, regulatory compliance and adherence to RBA standards, among others. Through our 2021 materiality assessment process, we identified, among other issues, emissions reduction and management, energy sourcing and consumption, and waste management as material for our business.

Each year, we publish our annual Sustainability Executive Report and online GRI content index to share information on our climate-related strategy and progress toward GHG and energy goals with our stakeholders. In 2021, we achieved an Ecovadis Platinum CSR Rating. Our Platinum rating places us in the top 1% of performers. For the third year in a row, we were included in the S&P Global Sustainability Yearbook for our 2021 sustainability performance. Our score of 67, our highest score to date, brings us within the top 15% in the Electronic Equipment, Instruments & Components category, and qualifies us as Yearbook Members. We were named to CDP's prestigious A list for water security for a second year and received an A- for climate change in 2021. We are honored to be named a 2021 CDP Supplier Engagement Leader for the work on measuring and limiting GHG emissions across supply chain.

In 2021, Flex won the "Well – seen company of 2021" award in Tczew to recognize Flex's social responsible business. We also received Penang's Sustainability & CSER Efforts recognized by Seberang Perai City Council based on the continual implementation of green practices that aligns with Majlis Bandaraya Seberang Perai's goal of becoming a low carbon city by 2022.

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. In recent years, we have extended these audits to other regions in Southeast Asia, Europe and South America. Agents are approved or rejected as Flex partners with suppliers based on their audit results, and only approved agents can conduct business with our organization. In 2021, all 13 of the labor agencies that we used for dispatched workers this year, which were located in China, were physically audited. Agents are approved or rejected as Flex partners with 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.

Additionally, our indirect procurement team started working with our indirect suppliers and service providers to expand our on-site assessment scope to ensure that these suppliers are compliant with Flex standards and the RBA Code of Conduct. During 2021, we assessed 95 on-site service providers applying a SAQ where no findings were reported. The service providers that are part of the scope are: security companies, labor agencies, canteen suppliers, personnel transportation companies, cleaning and gardening services, among others. In 2022, we are targeting to increase our audit program and add 97 on-site service suppliers already identified into the assessment process.

C12.2

(C12.2) Do your suppliers have to meet climate-related requirements as part of your organization's purchasing process?

Yes, suppliers have to meet climate-related requirements, but they are not included in our supplier contracts

C12.2a

(C12.2a) Provide details of the climate-related requirements that suppliers have to meet as part of your organization's purchasing process and the compliance mechanisms in place.

Climate-related requirement
Implementation of emissions reduction initiatives

Description of this climate related requirement
Flex requires 50% of its preferred suppliers to set greenhouse gas emissions reduction targets by 2025, and 100% by 2030.

Our suppliers and our employees, agents, and subcontractors must understand and adhere to our Supplier Code of Conduct ("Code") which is based on ISO 14001 and the Eco Management and Audit System (EMAS) and is aligned with the Responsible Business Alliance (RBA) standards. We expect all our suppliers to implement appropriate and effective policies to ensure compliance with the code and all relevant laws and regulations, as is incorporated into all supplier terms and conditions, our global business agreement, and all Purchase of Services. The RBA embodies a set of standards on social, environmental and ethical issues in the supply chain. Our standards exceed those of the RBA Code. We require additional compliance with respect to the social and environmental responsibility requirements. The RBA Code states that energy consumption and all relevant Scope 1 and Scope 2 greenhouse gas emissions are to be tracked and documented, at the facility and/or corporate level.

% suppliers by procurement spend that have to comply with this climate-related requirement
33.2

% suppliers by procurement spend in compliance with this climate-related requirement
21.34

Mechanisms for monitoring compliance with this climate-related requirement
Second-party verification
Other, please specify (GHG emissions overview; Training attendance; 1:1 sessions; Emission calculation resources for suppliers; Support to define and set targets; Closure of submission cycle along with CDP analysis and scorecards; GHG Emissions Reduction targets guidance)

Response to supplier non-compliance with this climate-related requirement
Other, please specify (Case-by-case analysis with input from global commodity managers team to either "Retain and engage", "Suspend and engage" or "Exclude" from the program)

C12.3

(C12.3) Does your organization engage in activities that could either directly or indirectly influence policy, law, or regulation that may impact the climate?

Row 1

Direct or indirect engagement that could influence policy, law, or regulation that may impact the climate
Yes, we engage directly with policy makers
Yes, we engage indirectly through trade associations

Does your organization have a public commitment or position statement to conduct your engagement activities in line with the goals of the Paris Agreement?
Yes

Attach commitment or position statement(s)
Business-RoundtableAddressingClimateChangeReport.September2020.pdf
flex-commits-to-cutting-operational-emissions-in-half-by-2030.pdf
Flex Joins Science-Based Target Coalition, Sets Goals To Help The Environment.pdf

Describe the process(es) your organization has in place to ensure that your engagement activities are consistent with your overall climate change strategy
Flex has strong environmental commitments to its stakeholders including customers, investors and employees. As such, Flex hopes to bring a unique and important perspective to bear on policy issues that impact the economy and the environment and, we try to improve business and living conditions in the area. As per our Code of Business Conduct and Ethics, we do not make contributions to and spending for political campaigns, political organizations, lobbyists or lobbying organizations. We are members of many trade organizations across the various areas of our business. Our participation in these organizations is to understand various regulations and to drive compliance across Flex, not to influence policies.

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

We joined Ellen MacArthur Foundation to accelerate the transition to a circular economy. Through this active participation, we ensure our external engagements are consistent with our company strategy, including our climate change strategy.

Primary reason for not engaging in activities that could directly or indirectly influence policy, law, or regulation that may impact the climate
<Not Applicable>

Explain why your organization does not engage in activities that could directly or indirectly influence policy, law, or regulation that may impact the climate
<Not Applicable>

C12.3a

(C12.3a) On what policy, law, or regulation that may impact the climate has your organization been engaging directly with policy makers in the reporting year?

Focus of policy, law, or regulation that may impact the climate
Renewable energy generation

Specify the policy, law, or regulation on which your organization is engaging with policy makers
Senate Bill-100 California Renewables Portfolio Standard Program: emissions of greenhouse gases

Policy, law, or regulation geographic coverage

National

Country/region the policy, law, or regulation applies to
United States of America

Your organization's position on the policy, law, or regulation
Support with no exceptions

Description of engagement with policy makers
NEXTracker, a Flex company, lobbies in support of clean energy generation. In 2018, NEXTracker lobbied in Sacramento, California in support of solar photovoltaic and energy storage legislation (Senate Bill-100 California Renewables Portfolio Standard Program: emissions of greenhouse gases). The company's lobbying efforts were joined by solar companies big and small.

By lobbying in support of SB-100, NEXTracker is advocating for directional support from California state assembly for 100% renewable by 2015, cleaning up our air and creating good jobs in the process. The bill creates thousands of high-quality paying jobs while also reducing the pollution that warms the planet and harms California's children and families.

Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation
<Not Applicable>

Have you evaluated whether your organization's engagement is aligned with the goals of the Paris Agreement?
Yes, we have evaluated, and it is aligned

Focus of policy, law, or regulation that may impact the climate
Renewable energy generation

Specify the policy, law, or regulation on which your organization is engaging with policy makers
US Solar Tariff

Policy, law, or regulation geographic coverage
National

Country/region the policy, law, or regulation applies to
United States of America

Your organization's position on the policy, law, or regulation
Oppose

Description of engagement with policy makers
In 2018, NEXTracker lobbied against the US Solar Tariff, which places tariffs on imported solar cells and modules for a period of four years. According to the Solar Energy Industries Association (SEIA), "The historic growth of solar energy in the U.S. has shown that increases in deployment depend on falling costs. Across all market segments, solar is competing with other low-cost fuel sources such as wind and natural gas. At such thin margins, even the slightest increase in the price of modules can mean that homeowners, utilities and businesses will choose an alternative for their power generation. That's why these tariffs will be damaging to the entire U.S. industry. With hardware costs increased as a result of import fees, many projects may not pencil out. This translates to losses in jobs and economic investment, and a missed opportunity to grow the U.S. economy."

Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation
By lobbying against the US Solar Tariff, NEXTracker is advocating for the lowest levelized cost of producing energy through solar. With extensive tariffs (20-30% on solar panels coming into the United States – of which 90% are manufactured in China; and an additional steel and aluminum tariff imposed on the solar racking and mounting structures in large scale utility that NEXTracker relies on to deliver the lowest cost of solar power to its customer, these tariffs will increase the cost of solar, going against what consumers want. In polls across the US and across both political parties, 7 out of 10 US voting age adults prefer solar over any other form of energy source.

Have you evaluated whether your organization's engagement is aligned with the goals of the Paris Agreement?
Yes, we have evaluated, and it is aligned

Focus of policy, law, or regulation that may impact the climate
Renewable energy generation

Specify the policy, law, or regulation on which your organization is engaging with policy makers
Bureau of Land Management's current Competitive Processes, Terms, and Conditions for Leasing Public Land for Solar and Wind Energy Development

Policy, law, or regulation geographic coverage
National

Country/region the policy, law, or regulation applies to
United States of America

Your organization's position on the policy, law, or regulation
Oppose

Description of engagement with policy makers
In 2020, the founder and CEO of NEXTracker provided testimony to the House Committee on Natural Resources Subcommittee on Energy and Mineral Resources against the Bureau of Land Management's current Competitive Processes, Terms, and Conditions for Leasing Public Land for Solar and Wind Energy Development, which undermines the goals for renewable deployment in all respects: "Under this rule, the total rents charged for solar projects are now up to10 times higher than fair market value, in violation of FLPMA. BLM's policies require large prepayments prior to securing complete project entitlements and onerous "megawatt capacity fees." Because solar and wind projects do not extract minerals like other energy sources, BLM should instead rent land for these projects at similar costs to grazing. The Competitive Leasing Rule also instituted a nonsensical auction process for designated Solar Energy Zones, eliminating the popular first-in-line priority application process, resulting in only one successful leasing process in 4 years. Finally, the Competitive Leasing Rule can result in large fluctuations in rent bills for renewable energy projects, as the rental rates are adjusted every 5 years, even for operational projects. The unpredictability of this system threatens to bankrupt existing projects and pushes new solar investment onto private lands."

Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation
The Competitive Leasing Rule must be addressed, this time taking into consideration the input of leading clean energy developers. BLM should craft a policy that meets the unique economics of solar projects, complies with FLPMA, incentivizes smart solar energy development on federal lands, and generates millions of dollars in revenues to the American people. There is bipartisan support to fix the broken process at BLM and we urge action to make these sites affordable in a timely way for solar and wind development.

In addition to the above actions, the testimony also recommended the following solutions to further incentivize the growth of solar in the U.S.:
• Implementing Direct Pay or refundability to address the issue of limited tax equity available to the Investment Tax Credit, the only federal support for solar, due to the COVID-19 pandemic.
• Maintaining the current level of the ITC for several years before the scheduled step down to allow the industry to take full advantage as Congress intended
• Curtailing or radically reducing the 201 and 301 tariffs when safe solar installation activities outdoors can compensate for job losses in other sectors
• Reforming recent FERC action that unnecessarily added uncertainty and red tape to a previously successful program, to ensure free market supporting commissioners are appointed without an agenda to subsidize obsolete and polluting industries
• Increasing the federal procurement of renewable power by setting targets for deferral agencies and facilities and enabling agencies to enter into long-term power purchase agreements

Have you evaluated whether your organization's engagement is aligned with the goals of the Paris Agreement?
Yes, we have evaluated, and it is aligned

C12.3b

(C12.3b) Provide details of the trade associations your organization engages with which are likely to take a position on any policy, law or regulation that may impact the climate.

Trade association
Other, please specify (Silicon Valley Leadership Group)

Is your organization's position on climate change consistent with theirs?
Consistent

Has your organization influenced, or is your organization attempting to influence their position?
We publicly promote their current position

State the trade association's position on climate change, explain where your organization's position differs, and how you are attempting to influence their position (if applicable)
The Silicon Valley Leadership Group (SVLG) aims to develop, promote, pass, and implement policy initiatives in the tech industry that benefit our members and their employees. According to the SVLG website: "The Climate and Energy Policy team is focused on supporting policies and legislation that encourages the development of solutions to environmental challenges. Our top policy priorities are the climate crisis; water supply reliability, infrastructure improvement, and reliable, high-quality, environmentally responsible and competitively-priced energy."

SVLG supports a range of climate-related legislation including, but not limited to, the CA Electric Vehicle Charging Stations and Rental Property Bill (AB 1796), the Clean Truck Act (AB 2061), the Zero-Emissions Buildings (AB 3232), etc.

Funding figure your organization provided to this trade association in the reporting year, if applicable (currency as selected in C0.4) (optional)

Describe the aim of your organization's funding
<Not Applicable>

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?
Yes, we have evaluated, and it is aligned

Trade association
Business Roundtable

Is your organization's position on climate change consistent with theirs?
Consistent

Has your organization influenced, or is your organization attempting to influence their position?
We publicly promote their current position

State the trade association's position on climate change, explain where your organization's position differs, and how you are attempting to influence their position (if applicable)
From the Business RoundTable's (BRT) website, BRT "supports policies that build on America's strengths in technology and energy diversity, encourage investment and innovation in our nation's vibrant energy sector, and preserve environmental quality for the 21st century and beyond."

BRT states that "Through a strong commitment to environmental sustainability, a focus on renewing America's energy infrastructure for both traditional and renewable resources, and support for regulations that balance environmental and economic needs, Business Roundtable is dedicated to unlocking our nation's energy potential in a manner that benefits all Americans. Elevating energy efficiency and environmental responsibility is not only good for the planet, it's good for business and our nation's economy."
"For over a decade, Business Roundtable CEOs have been a leading voice in the business community on sustainability. However, policymakers and the public are often still unaware that large U.S. companies have implemented environmentally sustainable practices across their businesses, directly contributing to positive environmental and economic outcomes. The Business Roundtable has launched a public campaign to foster greater awareness of our members' contribution to sustainability. U.S. businesses are making a positive impact toward sustainable outcomes, which can be seen across major trends such as:
• Driving Efficiency, Reuse, and Recycling
• Advancing Renewable Energy
• Reducing Carbon Emissions
• Growing Sustainable Investment"

Funding figure your organization provided to this trade association in the reporting year, if applicable (currency as selected in C0.4) (optional)

Describe the aim of your organization's funding
<Not Applicable>

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?
Yes, we have evaluated, and it is aligned

Trade association
Other, please specify (Original Equipment Suppliers Association)

Is your organization's position on climate change consistent with theirs?
Consistent

Has your organization influenced, or is your organization attempting to influence their position?
We publicly promote their current position

State the trade association's position on climate change, explain where your organization's position differs, and how you are attempting to influence their position (if applicable)
The Original Equipment Suppliers Association (OESA) has a stated mission "to champion the business interests of automotive original equipment (OE) suppliers. The Association addresses issues of common concern and advocates on behalf of the supplier community. One of the topics of the Policy agenda is Technology, Innovation & Sustainability. Motor vehicle suppliers are leading the way in sustainability and the new development of new vehicle"

Funding figure your organization provided to this trade association in the reporting year, if applicable (currency as selected in C0.4) (optional)

Describe the aim of your organization's funding
<Not Applicable>

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?
Yes, we have evaluated, and it is aligned

Trade association
Other, please specify (World Economic Forum)

Is your organization's position on climate change consistent with theirs?
Consistent

Has your organization influenced, or is your organization attempting to influence their position?
We publicly promote their current position

State the trade association's position on climate change, explain where your organization's position differs, and how you are attempting to influence their position (if applicable)
Flex joined the World Economic Forum's Advanced Manufacturing Industry Action Group (AMA), a consortium of leading industrial companies shaping the future of manufacturing. This membership is another important step in Flex's strategic commitment to investing in transformational technologies, practices and groups that enable the evolution of advanced manufacturing. Additionally, deepening Flex's commitment to sustainability, CEO Revathi Advaithi was admitted to the World Economic Forum's Alliance of CEO Climate Leaders, a prestigious coalition of 110 renowned leaders across key sectors driving positive climate change and economic growth. Flex is the first out of its traditional industry peers to join the growing alliance.

Funding figure your organization provided to this trade association in the reporting year, if applicable (currency as selected in C0.4) (optional)
190000

Describe the aim of your organization's funding
Flex is a member of the World Economic Forum's Advanced Manufacturing Industry Action Group

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?
Yes, we have evaluated, and it is aligned

C12.4

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

Publication
In mainstream reports

Status
Complete

Attach the document
FLEX002_ANNUAL_REPORT_2021_Bookmarked_Final.pdf

Page/Section reference
Pg. 11-30

Content elements
Governance
Strategy
Risks & opportunities
Emission targets
Other metrics

Comment
Annual Finance Report

Publication
In voluntary sustainability report

Status
Complete

Attach the document
flex-2021-sustainability-report.pdf

Page/Section reference
Whole document

Content elements
Strategy
Emissions figures
Emission targets
Other metrics

Comment
Sustainability Report

Publication
In voluntary communications

Status
Complete

Attach the document
Our sustainability _ Flex.pdf

Page/Section reference
Whole page

Content elements
Strategy
Emission targets
Other metrics

Comment
Flex Sustainability Website

Publication
In mainstream reports

Status
Complete

Attach the document
FLEX002_PROXY_2021_Bookmarked_Final.pdf

Page/Section reference
Pg. 18-31, 47-64

Content elements
Governance
Strategy
Risks & opportunities
Other metrics

Comment
Proxy Statement

C15. Biodiversity

C15.1

(C15.1) Is there board-level oversight and/or executive management-level responsibility for biodiversity-related issues within your organization?

	Board-level oversight and/or executive management-level responsibility for biodiversity-related issues	Description of oversight and objectives relating to biodiversity	Scope of board-level oversight
Row 1	No, and we do not plan to have both within the next two years	<Not Applicable>	<Not Applicable>

C15.2

(C15.2) Has your organization made a public commitment and/or endorsed any initiatives related to biodiversity?

	Indicate whether your organization made a public commitment or endorsed any initiatives related to biodiversity	Biodiversity-related public commitments	Initiatives endorsed
Row 1	No, and we do not plan to do so within the next 2 years	<Not Applicable>	<Not Applicable>

C15.3

(C15.3) Does your organization assess the impact of its value chain on biodiversity?

	Does your organization assess the impact of its value chain on biodiversity?	Portfolio
Row 1	No, and we do not plan to assess biodiversity-related impacts within the next two years	<Not Applicable>

C15.4

(C15.4) What actions has your organization taken in the reporting year to progress your biodiversity-related commitments?

	Have you taken any actions in the reporting period to progress your biodiversity-related commitments?	Type of action taken to progress biodiversity- related commitments
Row 1	No, and we do not plan to undertake any biodiversity-related actions	<Not Applicable>

C15.5

(C15.5) Does your organization use biodiversity indicators to monitor performance across its activities?

	Does your organization use indicators to monitor biodiversity performance?	Indicators used to monitor biodiversity performance
Row 1	No	Please select

C15.6

(C15.6) Have you published information about your organization's response to biodiversity-related issues for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Report type	Content elements	Attach the document and indicate where in the document the relevant biodiversity information is located
No publications	<Not Applicable>	<Not Applicable>

C16. Signoff

C-FI

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

C16.1

(C16.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	Chief Executive Officer (CEO)	Chief Executive Officer (CEO)