Forced Labor and Human Trafficking Statement

For the fiscal year 2023
Sustainability is at the core of our purpose, which in turn guides our actions.

We are committed to robust corporate governance practices and recognize its importance to earning and retaining the trust of our stakeholders. Flex senior leaders and Board of Directors continually review processes and implement procedures designed to maintain strong governance and operational standards.

Throughout our global operations, we strive to drive an accountable, ethical approach to doing business with suppliers and customers alike, minimize our environmental footprint, and help our employees to prosper and contribute to the communities where we operate. Building on nearly 20 years of experience, we raised the bar even higher in 2021 with our 2030 sustainability goals against a refreshed framework that focuses on our world, people and approach.

We look forward to deepening our engagement with Flex stakeholders, including employees, partners and customers, to help accelerate a more sustainable future.

Revathi Advaithi
Chief Executive Officer, Flex
Introduction

The California Transparency in Supply Chains Act of 2010, the United Kingdom Modern Slavery Act of 2015, and the Australia Modern Slavery Act of 2018, require certain businesses to provide disclosures concerning their efforts, if any, to address forced labor and human trafficking within their supply chains. The disclosures are intended to provide consumers the ability to make better and more informed choices about the products and services they buy. Flex is aware of the implications of these and other relevant regulations and the Statement provides an overview of the efforts taken by the company to prevent forced labor or human trafficking in our business, including within our supply chain.

This disclosure covers Flex’s fiscal year ended March 31, 2023.
OUR CODE OF CONDUCT AND RELATED POLICIES

Flex is committed to maintaining and improving systems and processes to avoid complicity with human rights violations related to our operations, supply chain and products. Flex acknowledges that forced labor and human trafficking can be connected to different practices such as slavery, bonded labor, retention of identity documents, withholding of wages, deception and false promises. Therefore, throughout this disclosure we use the terms “forced labor and human trafficking” to encompass these various practices. As discussed in greater detail below, Flex takes certain steps throughout the year to ensure that forced labor and human trafficking are not taking place in our supply chains or other parts of our business. To this end, Flex has established an integrated approach to managing human rights across our business including evaluating the risks related to forced labor and human trafficking.

Our commitment to human rights is outlined in our Code of Business Conduct and Ethics (“Flex Code of Conduct”) and Flex’s Human Rights Policy. Every employee, officer and director of Flex must know, understand, and follow the Flex Code of Conduct as well as the procedures and related policies referenced in it. This is what we expect and rely on when we work with one another, interact with customers and suppliers, address shareholders, collaborate with business partners, and contribute to our communities.

Flex’s Human Rights Policy is explicitly aligned with the United Nations Guiding Principles on Business and Human Rights, extends to our entire value chain and outlines a reporting and escalation process for suspected issues. These commitments are reinforced by our participation in the United Nations Global Compact whose principles support respect for international human rights as well as the elimination of all forms of coerced labor. In addition to these policies, Flex is an active member of the Responsible Business Alliance (“RBA”) (formerly known as the Electronic Industry Citizenship Coalition (EICC)).

As a founding member of the RBA, we have a commitment to continuously improving our programs and ensuring implementation of the RBA Code of Conduct across our business including the supply chain. The RBA Code of Conduct contains specific requirements covering forced labor and human trafficking that are incorporated into Flex’s tools, such as Self-Assessment Questionnaires and audit protocols. Through this industry organization’s efforts, including the Responsible Labor Initiative and the Responsible Minerals Initiative, we are working with other members of the electronics supply chain, customers, suppliers and competitors to better understand the full extent of trafficked and forced labor and to effectively combat its occurrence.

Additionally, Flex is an active member of the Global Business Initiative on Human Rights. The mission of this organization is to advance human rights in a business context through cross-industry peer learning, outreach and capacity building, and informing policy. We have invested significant time and resources in collaborating with others to address system-level industry wide improvements. Flex continues to undertake efforts aimed at identifying and addressing forced labor and human trafficking in our supply chain.

Our policies and governance framework covers:

- Child labor avoidance
- Forced labor avoidance
- Freedom of association & collective bargaining
- Worker-Management communication
- Non-discrimination
- Humane treatment
- Working time
- Disciplinary practices
- Compensation
- Occupational health and safety
- Environment
- Conflict minerals

For more information, please visit our policies web site.
Flex makes great products for our customers that create value and improve people’s lives. We help a diverse customer base design and build the products that make the world a better place.

Through the collective strength of a global workforce across 30 countries we deliver design, supply chain and manufacturing capabilities to help many of the world’s leading brands bring products to life. To ensure our continued leadership, and to do right by each of our stakeholders, we have set ambitious goals and commitments to run a responsible, sustainable business. Our history is built on the process of creating. It’s the foundation of who we are – our global scale and regional connections, our advanced manufacturing technology and the talented, dedicated teams make what we do possible.

The goal is to be the most trusted global technology, supply chain and manufacturing solutions partner to improve the world.

Our technology expertise for cross-industry solutions:

**DESIGN:** We transform ideas into products ready for manufacturing at scale.

**BUILD:** We offer advanced manufacturing technologies and expertise to build high quality products responsibly.

**DELIVER:** We provide real-time visibility and a trusted supply chain network for greater resiliency.

**MANAGE:** We provide fulfillment, return, repair, and circular economy services that extend product value.

**Deep domain expertise across industries**

- Industrial
- Automotive
- Healthcare
- Lifestyle
- Cloud, communications, and enterprise
- Consumer devices
- Energy

For more information about Flex visit: flex.com
RISK ASSESSMENT

We have invested significant time and resources in collaborating with others to address systemic level industry-wide improvement by participating and holding memberships in different human rights and social compliance organizations, such as Business for Social Responsibility (BSR), Global Business Initiative (GBI), Responsible Business Alliance (RBA), Responsible Minerals Initiative (RMI), and Supplier Ethical Data Exchange (Sedex). Flex continues to undertake efforts aimed at identifying and addressing forced labor and human trafficking in our supply chain. In order to evaluate our risk related to forced labor and human trafficking, we look first at the sectoral and regional risks posed by our direct and indirect workforce.

With respect to “sectoral” risk, we look at the type of activities that our direct and indirect workforce performs. Based on the United Nations’ International Standard for Industrial Classification of All Economic Activities¹, most of the Flex workforce will fall in the Manufacturing sector, considered medium risk, as 18.7% of the cases of forced labor are found in this sector (per the ILO’s Global estimates of modern slavery: Forced labor and forced marriage of 2022)².

Considering regional risk, the company operates in 30 countries and our workforce is based in 3 regions: Americas, Asia and EMEA. According to the Global Slavery Index 2018, an investigation prepared by Walk Free, an international human rights group focused on the eradication of modern slavery, these regions may be considered medium and low risk. However, we continuously assess the concordance with our policies and industry standards within our supply chain and own factories.

The sectoral and regional risk evaluations presented above are provided by third parties, but we also perform an internal risk analysis. We use a simple, but very effective and widely used methodology known as “simplified or direct risk assessment”³.⁴. This method combines the probability event occurrence with the potential damage reach, and establishes 4 levels of risk: serious, relevant, considerable and marginal. Considering we have not had in the last 5 years a single case of modern slavery, forced labor or human trafficking, the probability variable is very low. However, the occurrence of a single case potentially would have serious implications for our reputation and, therefore, we have determined our risk to be considerable.

The following table is a summary of what is described above:

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<th></th>
<th>Americas</th>
<th>Asia</th>
<th>EMEA</th>
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<tr>
<td>Sectorial risk</td>
<td>Medium</td>
<td>Low</td>
<td>Medium</td>
</tr>
<tr>
<td>Regional risk</td>
<td>Low</td>
<td>Medium</td>
<td>Low</td>
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<tr>
<td>Simplified risk assessment</td>
<td>Considerable</td>
<td>Considerable</td>
<td>Considerable</td>
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VERIFICATION, DUE DILIGENCE AND RISK MANAGEMENT

In addition to the foregoing described risk assessment, Flex takes steps to verify, evaluate and address risks of slavery and human trafficking in our supply chains. The first step in this process is to set clear expectations for our suppliers. For example, our standard supplier contract and our Standard Terms and Conditions of Purchase contain language requiring suppliers to comply with the RBA Code of Conduct and Flex’s Supplier Code of Conduct. Additionally, we monitor compliance through Supplier Self-Assessment Questionnaires based on RBA requirements that are completed by our suppliers.

Flex uses the Supplier Self-Assessment Questionnaire responses as well as other factors to assess risk within the supply base. Based on this risk evaluation, internal Flex auditors perform audits covering social and environmental responsibility topics, including forced labor and human trafficking. Specifically, as part of focused efforts to combat forced labor and human trafficking, we also performed audits of labor providers, security guard, cleaning, and canteen services in the region. We are working with those firms to improve their labor practices where necessary or are exploring alternative providers where appropriate.

Flex conducted an average of 242 audits, including initial and follow up audits, in the areas of Asia, Europe and South America. Suppliers who present some risk of forced labor or underage labor are immediately required to present remediation plans, which are closely monitored. Failure to complete those plans and eliminate the risk may result in termination of the relationship. If deficiencies are found during an audit, Flex formally requests the supplier to develop and submit a Corrective Action Plan (CAP). It is expected that suppliers correct and improve their areas of deficiency within 90 days of the audit. The CAP should outline how the supplier will resolve the issue(s) following an 8D problem-solving methodology, addressing containment, root-cause analysis, correction and preventive action as well as assignment of action owners and timeline for completion.

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³Air Force Journal of Logistics: vol22_no1 - Google Libros
⁴http://www.jise.ir/article_4040_b99470f366ec6a2ff0658df670d86ca0.pdf
Flex monitors, reviews and reports on compliance with these requirements using a Corrective Action tracker to initiate the request, track response times, and report on response status and outstanding supplier deficiencies. Audits for the supply chain are typically conducted by internal auditors, however third-party audits are conducted at the request of the customer.

Many Flex manufacturing plants regularly host on-site compliance audits conducted by independent third parties, in accordance with RBA’s Validated Assessment Program (VAP). The VAP is the leading standard for on-site compliance verification, and we proudly continue to add sites to the RBA Factory of Choice level, where VAP scores are above 180.

Either in the supply chain or Flex manufacturing plants, the audits are announced.

**COMPLIANCE WITH LAWS AND REGULATIONS**

Flex follows all applicable laws, including trade regulations and those relating to the use of forced labor and the content of products imported into the United States or any country with similar laws. We hold our business partners to these same standards. This is accomplished through our standard supplier contract language, which commits our suppliers to provide products and services free from forced labor. We require our suppliers to confirm this as part of our supplier qualification process, and we survey our critical suppliers periodically for forced labor issues. If we identify risk of forced labor in one of our supply chains, we can and do audit the supplier to mitigate that risk. In addition, Flex conducts quarterly supplier trainings to communicate key requirements our suppliers must follow, such as the RBA Code of Conduct which prohibits the use of forced labor and the avoidance of inputs that may trigger import restrictions in the United States. We regularly communicate that Flex expects its suppliers to cascade such requirements with their own supply chain as well.

Flex has taken the following actions as part of its compliance efforts:

- Publication of the Flex Forced Labor and Human Trafficking Statement on our website approved by our Board of Directors.
- Supplier training reinforcement on Flex’s policies which address forced labor and human trafficking.
- Delivery of Flex’s Supplier Code of Conduct to reinforce our expectations on human rights, including the avoidance of forced labor and human trafficking.
- Reviews of supplier contracts, purchase orders and terms and conditions to include provisions on human rights and force labor.
- Regular screening of suppliers through our Supplier Self-Assessment Questionnaire based on RBA guidelines.
- Establishment of a working group on forced labor with company subject matter experts and members of senior management.
- Active participation in different forums where human rights and forced labor issues are discussed.
- Regular review of media and regulatory developments in this area.
- Making available resources to report human rights issues. For example, Ethics Point is available internally and for our supply chain.
- Evaluation of different supply chain traceability tools to enhance knowledge of our supply chain.

**INTERNAL ACCOUNTABILITY**

Through Flex’s Code of Conduct the direction is set forth by our CEO that we do not condone child, forced, indentured, or bonded labor. Our Human Rights Policy also makes those same standards clear.

Flex’s Sustainability Program Office coordinates across different areas of the company to establish policies, procedures, and processes for managing compliance with sustainability topics, including forced labor and human trafficking, both at our internal operations as well as in our supply chain.

Flex also has an Audit Committee that is chartered by the Board of Directors to oversee our compliance program. Our Chief Ethics & Compliance Officer (“CECO”) reports quarterly to the Audit Committee on our compliance program. The CECO also reports quarterly to the Executive Sponsors, a group of Flex executives who provide feedback and support on the scope and content of the compliance function and ensure implementation. In addition, our compliance program is supported by members of the Compliance Council, a cross-functional team of subject matter experts in various compliance areas. The Compliance Council helps drive Flex’s culture of compliance in our company across the globe. The Compliance Council consists of the CECO, regional compliance attorneys, compliance directors, our corporate compliance team, and other relevant stakeholders from the business units and functional areas within the company. The Council meets regularly to share best practices, learn from internal and outside speakers, highlight key policy, legal, and regulatory changes, and share key accomplishments and future goals.
Flex’s formal efforts to eliminate forced labor and human trafficking within its supply chain have been in effect for a number of years and have not identified any incidents involving forced labor or human trafficking during the last five years. Flex continues to analyze and improve its program and policy aimed to ensure that any perpetrators are identified promptly so that appropriate action may be taken.

Flex also publishes additional information regarding our operations and supply chain in our annual Corporate Sustainability Report. See the latest report on our website at [2022 Sustainability Report](#).

**PERFORMANCE INDICATORS AND EFFECTIVENESS OF THE ACTIONS**

You can read more about our performance, which we report annually against set KPIs, from [our sustainability report](#) as indicated below:

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<tr>
<th>KPI</th>
<th>Performance</th>
<th>Flex 2022 Sustainability Report page</th>
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<tr>
<td>Commit to certifying all manufacturing sites with ‘RBA factory of choice’ by 2025</td>
<td>6% of our manufacturing sites were ‘RBA factory of choice’ certified, as of 2021.</td>
<td>47</td>
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<td><strong>INCREASE HUMAN RIGHTS POLICY TRAINING COMPLETION:</strong> Train new employees on Flex’s Human Rights Policy, with a 95 percent or higher completion rate.</td>
<td>The training was made available in 15 languages, and by the end of 2021, 100% of our manufacturing and logistics facilities delivered it to more than 95% of our employees.</td>
<td>56</td>
</tr>
<tr>
<td><strong>INCREASE COBCE TRAINING COMPLETION:</strong> New Code of Business Conduct and Ethics online training to be completed annually by 100 percent of eligible employee.</td>
<td>98% of our employees completed the Code of Business Conduct and Ethics refresher online training</td>
<td>60</td>
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During 2022, we conducted 186 initial audits (including 32 remote and 154 onsite) and 58 follow-up audits focused on suppliers located in high-risk regions.

**TRAINING**

Flex provides mandatory training to all Flex employees on our Code of Business Conduct and Ethics, which contains content regarding forced labor and human trafficking. Every employee, officer and director of Flex must know, understand, and follow the Flex Code of Conduct as well as the procedures and related policies referenced in it.

In accordance with the UK Modern Slavery Act 2015 and the Australia Modern Slavery Act 2018, this 2023 Statement on efforts to combat forced labor and human trafficking in our business and supply chain was approved on [May 15, 2023] by the Flex Board of Directors and has been signed by our CEO.

Signed by:

Revathi Advaiti, CEO

This statement applies to Flex LTD and its subsidiaries. The following Flex affiliates must report for the purposes of the United Kingdom’s Modern Slavery Act: Flextronics UK Limited and Flextronics Global Services (Manchester) Limited. The following Flex affiliates must report for the purposes of the Australia Modern Slavery Act: NEXTracker Australia Pty. Ltd and FLEXTRONICS AUSTRALIA PTY LTD.