flex.

Supplier Sustainability Program



Honored Guests



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VP, Indirect Procurement

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VP, Logistics

David Gessler

VP, Mechanical Management



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Thank you



our ongoing sustainability journey.

We aspire to leverage where we are in the value chain for good, share learnings as well as best practices, and create opportunities to collaborate in the spirit of sustainability. To do so, we have created a greenhouse gas emissions reduction initiative as part of our broader supplier sustainability program.

At Flex, part of our mission is to make products that contribute positively to the world and steward sustainable manufacturing and operations practices to minimize environmental impact. Our suppliers play a critical role in not only helping Flex deliver on our commitments, but also to advance



Supplier Greenhouse Gas Emission Program

Flex has adopted greenhouse gas emissions reduction targets necessary to meet the Paris Agreement goals, limiting global warming to 1.5°C above preindustrial levels.



In order to support <u>Flex's 2030 goals</u>, the supplier sustainability team launched a GHG emission reduction program with our preferred suppliers and in partnership with CDP (formerly known as the Carbon Disclosure Project) to help us achieve our GHG emission reduction goals.

TCDP

Read Lynn's post about sustainability in supply chain here



Reasons for Concern

Risk level transitions for climate change at 1.5°C



RFC1 Unique and threatened systems

 Artctic sea-ice dependent ecosystems

- geographic range
- Unsects projected to lose 50% of
- **RFC2 Extreme weather events**
- Increase in fluvial flood Soil moisture droughts

- Crop failure

RFC3 Distribution of impacts

- Crop failure in maize up to 40%
- Flood risk in Asia and Africa

diseases

RFC4 Global aggregate impacts

- 10% decrease in effectuve labor
- 24% exposure global flooding

RFC5 Large-scale singular events

- Sea level rise yp to 3.1 m
- Risk of savannisation of the Amazon

 Reduced habitability of small islands Increased endemic species extinction

 Agricultural and ecological droughts Malnutrition and risk of disease

 High risk of mortality and morbidity due to Heat extreme and infectious

 Reduced marine food provisioning Decline in oceane animal biomass





Greenhouse Gas Emissions



CLIMATE CHANGE: EARTH'S GIANT GAME TETRIS



What are Greenhouse Gas Emissions?

Greenhouse gases (GHG) Trap heat from the sun and warm the planets surface, creating a greenhouse effect and allowing life on earth.

Primary anthropogenic sources of GHG emissions are the burning of fossil fuels for electricity, heat and transportation; and even land-use change, or agriculture.





Mobile combustion



Purchased electricity/power plants

Agriculture



Stationary combustion



Note: All industries including manufacturers, distributors, services provides, and office-based companies have GHG emissions; so, they apply in this initiative.

CO2: Carbon dioxide / SF: Sulphur hexafluoride / NF3: Nitrogen Trifluoride / CH4: one atom of carbon and four atoms of hydrogen / N2O: Nitrous oxide (laughing gas)

Some sunlight that hits the earth is reflected. Some becomes heat.



CO2 and other gases in the atmosphere trap heat, keeping the earth warm.

Some examples of greenhouse gases:



What does Scope 1, 2 and 3 mean in GHG emissions?

When talking about **GHG emissions** these are categorized in "**Scopes**" to have a better understanding of where the emissions are coming from.

Scope 1 Direct emissions from fuel combustion and refrigerant leakage from company facilities and vehicles.

Scope 2 Indirect emissions from the purchase of electricity, steam, heat, and cooling.

Scope 3 Indirect emissions from a company's value chain (e.g., purchased goods and services, use of sold products).





GHG Emissions reduction activities

Scope 1 & 2

- Site efficiency and LED light fixtures replacement. ٠
- Expand and operate solar energy installations. •
- Efficient machinery for workplace and production area.
- Create a program for more efficient products to be used inside manufacturing or office departments.
- Apply for a certification (ISO 14001, LEED, etc.)

Scope 3

- Develop a reduction, reuse and recycling program. ٠
- Offset our Scope 3 greenhouse gas emissions through Certified **Emissions Reductions (CER)** from the Clean Development Mechanism.
 - Emissions are offset through the generation of renewable sources of energy, including a hydropower facility, biomass power plant, waste-energy project, etc.

Scope 1 **Direct GHG Emissions**

0.08%



0.64%

Scope 3 **Other Indirect Emissions** 99.28%



Companies included in this initiative

This program applies to <u>all companies</u> from all sectors, including, but not limited to:

- Manufacturing
- Distributors
- Brokers
- Service industries
- Office-based organizations
- Etc.

All companies generate emissions (e.g., by purchasing electricity or driving vehicles) and we all have improvement areas in our daily operations where we can reduce our emissions and environmental impact.







Renewable Energy





Energy Specs

Renewable, non-renewable and low carbon energy.



15



*Biomass must be sustainable in order to be renewable and/or low carbon *Hydrogen must be obtained through renewable electricity *Fossil fuels can be considered low carbon if a CCS (carbon capture and storage) is used

Renewable Energy Concepts

Energy Sources & Technologies

Renewable sources are the **primary form of energy**, with **technologies** energy is transformed to an **energy carrier**. Such as solar energy with solar panels can be transformed into electricity.

Bundled and Unbundled Energy

Bundled energy powers our facilities, also provides a proof of RE and **unbundled energy** is a tracking system for environmental impact, meaning there is no consumption but there is credit for CO2 avoidance.

Procurement Mechanisms

Mechanisms used to procure bundled and unbundled energy in regulated and non-regulated energy markets. Such as energy agreements, energy attribute certificates and supply agreements.

Energy Models

Lineal regression used to determine energy consumption per part number.









Energy and greenhouse gas management program

Our energy and greenhouse gas (GHG) management program improves energy efficiency, optimizes processes and reduces CO_2e emissions.

The program focuses on:

- Delivering renewable energy solutions and • growing renewable installations, specifically solar, around the world
- Implementing energy-saving projects at facilities
- Installing energy-efficient HVAC systems
- LED light fixture replacements
- Improving maintenance programs and building control systems.

To learn more about Flex and it's sustainability program feel free to browse Flex Sustainability Page



Zhuhai, China

90,000 solar panels with 11.35 MW capacity



CDP Overview

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About Carbon Disclosure Project (CDP)



- CDP runs the global disclosure system that enables companies, cities, states and regions to measure and manage their environmental impacts.
- Built the most comprehensive collection of self-reported environmental data in the world.
- Their network of investors and purchasers and to make better-informed decisions.
- Through their offices and partners in 50 countries they have driven unprecedented levels of environmental disclosure.

policymakers around the globe, use their data and insights



CDP Supply Chain Model

Flex

- Identify strategic suppliers to evaluate their potential climate impacts through CDP's disclosure platform.
- Use the reported data to measure suppliers' environmental impacts and to track progress of internal and external sustainability goals and/or commitments.



Suppliers

 Requested to report qualitative and quantitative information in a standardize way, which will ultimately be reviewed and analyzed by Flex.

improve Suppliers their responses and calculations through feedback from Flex, CDP's action exchange initiative, and scoring documents.





CDP Disclosure Model

Companies take action to tackle climate change, prevent the destruction of forests and safeguard water resources.





Companies and suppliers provide data on environmental impact, risks, opportunities, investments and strategies.

Investors and purchasing companies use CDP to make informed decisions, reward companies with superior performance and drive action.



How to activate your CDP Questionnaire



Registration to CDP

CDP

Home > Join an Organization

Flex sent a communication email with the registration link that will direct you to the CDP platform.

Please review your junk or spam folder for Flex's registration email in case you don't find it on your primary inbox

> Click here to begin the registration process

Join an Organization

Completing this form will allow you to gain access to an existing organization's CDP account. If your organization is not requested to complete the CDP questionnaire(s) you can still disclose as a self-selected company (SSC).

First Name *	Last Name *
Email Address *	Organization Name *
Organization Name in English	Parent Organization
Organization Website	DUNS Number
ISO BIC Number	ISIN Number
Requesting Authority/Authorities	
These are the organizations that requested you to co	mplete the CDP questionnaire(s)

Knowledge Base **↑** |







If your company is a subsidiary of another company, please input both fields, your organization name as well as the parent corporation name.

For a returning user, log in in the CDP main page to access your response dashboard.

Accessing the Response Dashboard

Welcome

Register and join thousands of companies, investors, governments and organizations already discovering invaluable insights from CDP data. Use it to compare companies, enhance corporate engagement, strengthen analysis and gain policy insights. Enter your details for instant access.

Already a CDP user? Login

For a returning user, click *Login* to access your response dashboard.

your email@cdp.test	
	~
Your Company Inc.	
lot your email and organization? Please ccount manager or email <u>respond@cdp</u>	contact your CDP <u>.net</u> .
Your First Name	
Your Last Name	
lease provide a password	
New password	Show
Confirm password	Show
Type the letters you see:	
IAY Q	

Registering confirms you agree to <u>CDP's Terms & Conditions</u> and have read and understood <u>CDP's Privacy Policy</u>



Please enter your parent company name.

The best practices is to have one submission per global company

For new users, create a user profile and register your account.

After registering, a confirmation email will be sent to your business email account.



Confirm Your Participation

Confirm Participation



Please confirm to whom you will submit data. If you are not able to confirm at this stage, you can skip this step. If you skip this step you can confirm your participation on your dashboard later, and we may share this information with the stakeholders requesting your participation.

We intend to submit to our customers on or before July 26, 2023







Click *Confirm* to notify Flex of your intention to submit the questionnaire by July 26th.

Confirm a Questionnaire Version: Full or Minimum



For all CDP questionnaires, there are two versions: full and minimum. The minimum version contains identical but fewer questions, and no sectorspecific questions or data points.

completed by:

- * for the first time; OR
- million

Although any organizations meeting the above criteria may opt to complete a minimum version, they may not be eligible for scoring.





The minimum version of a questionnaire can be

Organizations disclosing to that questionnaire

Organizations not disclosing to that

questionnaire for the first time, but with an annual revenue of less than EUR/US\$250

Identify Your Primary Sector Based on Revenue

CDP-ACS Industry	CDP-ACS Activity Group	CDP-ACS Activity
Biotech, Health Care & Pharma	Other services	Commercial services
Food, beverage &	Specialized professional services	Consumer services
Apparel	Media, telecommunications & data center services	Travel services
Fossil fuels	Industrial support services	
Hospitality	Financial services	
nfrastructure	Web & marketing services	
Manufacturing	Print & publishing services	
Materials	Commercial & consumer services	
Power generation	IT & software development	
Retail		
Services		
Transportation services		
international bodies		
ransportation services		

If prompted, please choose a primary activity based on revenue. Your primary activity will determine which sector-specific questionnaire will populate.

Follow the prompts to select your primary industry, then activity group, and finally your activity based on revenue.

For more information about CDP-ACS, please review CDP's <u>activity</u> <u>classification system</u> guidance.

Once your have identified your primary sector, select *Start Questionnaire* to active and being responding



How to Navigate the Online Response System (ORS)

DISCLOSURE INSIGHT ACTION Dashboa	ard overview View previous responses Mar	nage users Need help?	You are logged in as Your Name Here EXITORS
CDP Climate Change Que State: Draft Save Submit Questions answered Navigation Welcome to your CDP Climat	stionnaire 2021 xort Export → III Audit log te Change Questionnaire 2020	Save, share, or export your questionnaire. View an audit log of edits as well	M < Previous > Next M
The questions presented are specific to your of guidance for more information. You will find a link to CDP's reporting guidance CK YOUR PONSE PROGRESS d quickly	company. Questions are determined by conditional logic. This :e and scoring methodology with each question. All companie ORS this year. Please refer to Using CDP's Disclosure Platfo	is means that the subsequent questions you are presented with depend on your answers throughout the questionnaire. Please r ies are strongly advised to refer to the reporting guidance before completing each question. These can also be accessed from orm - Companies for information on how to use the Online Response System, including the new features, and your corporate da	refer to the question pathway diagrams in our reporting the CDP website.



Navigate to the next page or jump to the next section



Relevance & Impact





What is in it for me as a supplier?





and Measure reduce environmental impact and benchmark impact against peers

Identify cost savings and areas to improve operational efficiency



Identify risks opportunities communicate management practices



collaborative Propose opportunities and increase value from customer relationships



CDP support guidance

and

and



and and risk

One response for all customers and stakeholders



Demonstrate transparency operational competence to your customers flex

Why your involvement is important

Improvement in environmental performance, managing risks, and reducing costs



*estimation as reported by Flex suppliers on CDP in 2022





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2023 Timeline



2023 GHG Webinar Timeline



During all disclosure cycle







Collaborate with customers

Phase 3: Improve performance



What you will need

They will need to collect data for the following direct and indirect **energy sources** that may apply to your company:

- Electricity (and electricity factor)
- Natural Gas
- Gasoline
- Diesel
- Ethanol
- Biodiesel
- Renewable energy generated on-site

This **data sources** can be in the form of:

- Invoices
- Measured (or calculated) accounting
- Electricity meters
- Estimations

Please note that you may have this information in your sustainability or quality report.







As part of our supplier's training strategies, we will be conducting an on-site training in Shenzhen, China for our suppliers that are located in this region.

We will be covering all the following topics so you can have the resources and information available in order to properly disclose your information through CDP:



This face-to-face training session will be conducted in **Fuyong Site** (Shenzhen, China) on April 25th, 2023, at 1:30pm China Standard Time

Please note that only two collaborators of your company can join our training, due to the venue capacity. We are also requiring that the sustainability lead attends to this training. flex

FAQs and Resources



Frequently asked questions

If we have multiple sites, multiple business entities across the world do we have to roll the data up to the overall parent company or keep results at a local site level? Best practice in corporate GHG accounting encourages all companies to be reporting enterprisedata at the ultimate parent company level. Doing so avoids double counting and reduces reporting effort. For your CDP questionnaire, please provide as much company-wide data and information as you have available.

What if I do not want to publicly disclose some information on the questionnaire? Suppliers can choose to disclose Public or Non-Public, if Non-Public is chosen only Flex will have access to the information.

Supply Chain (SC) section of the questionnaire is always treated as Non-Public Information.

What if I didn't receive my registration email from Flex?

Please search in your spam/junk folder for the email from **@flex.com** domain, if you don't find it, please contact <u>flex.GPSC@flex.com</u> in order to receive support.

Please note that it is not possible to access the questionnaires through the Internet Explorer browser. Please, consider using another browser to disclose through our platform.





Further useful resources

Resources for Disclosure:

- CDP Guidance for Companies
- FAQs Find answers to common queries
- CDP Supply Chain Report: Changing the Chain
- CDP-ACS: Guidance for Company Classification
- Working 9-5: A guide for Small Office Based Organizations'
- Hot Climate, Cool Commerce: A Service Sector Guide to

Greenhouse Gas Management

- On-Demand Technical Support:
 - If you're based in Japan, contact japan@cdp.net
 - > If you're based in a different Asian country, contact asia@cdp.net
 - > If you're based in Southeast Asia, contact sea@cdp.net
 - > If you're base in Latin America, contact reporteCDPLA@cdp.net
 - For all other geographic regions, contact https://casemgmt-crm.cdp.net/

GHG Emissions Accounting and Science-Based Targets:

- GHG Protocol Corporate Standard
- GHG Protocol Calculation Tools CDP Technical Note on Science-Based Targets
- FAQs- The Science Based Targets Initiative

Webpage

✓ Flex GPSC Sustainability ✓ Contact your GCM

Flex's Supply Chain Resource

If you require support from Flex, please send us an email to:



Further useful resources

Here you can find some recommended files for further information and to assist you in your GHG emission calculations and Renewable energy calculations:





2023 GHG emissions tool V1.4.1.x lsx

Environmental GHG Emissions tool - Quick guide.pdf

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If you require support from Flex, please send us an email to:

✓ **Flex GPSC Sustainability** (flex.gpsc@flex.com) ✓ Contact your GCM



flex。

Thank you



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