At Flex we see unparalleled opportunity to create a better life and a more sustainable future by building a smarter, more connected world.

Flex is leading the way in the age of intelligence. Our sketch-to-scale solutions help our customers gain competitive advantage. We cultivate and accelerate innovation, developing new product concepts, identifying and leveraging technologies across industries to speed time-to-market. We create the smart components that enable intelligence, and build and scale products into the market with visibility and velocity. We have the opportunity to create a better life by building a smarter, more connected world.

We operate ethically and lead with integrity. Every day, we set out to lift the human spirit. We advance the cause of human rights around the world, and push for equality in every endeavor.

We are committed to safeguarding the environment—through resource conservation, recycling, and pollution prevention—so future generations can prosper. And we work across our value chain to help our partners do the same.

We partner with the communities in which we operate, providing financial aid, scholarships, disaster relief, and volunteer efforts to improve health, education and housing.

We are transforming our value chain to enable organizations in all industries to move toward responsible sourcing.

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Welcome to the Flex Global Citizenship Report covering the 2014 calendar year. At Flex, we are committed to the notion that excellence in corporate, social and environmental responsibility (CSER) is fundamental to the competitiveness, longevity and overall success of our company. Having a foundation of good corporate citizenship bolsters the relationship we have with our customers, investors, stakeholders and employees across the globe. This report highlights the progress we have made over the last year towards our goal of running an ethical, responsible and sustainable business.

Flex enables our customers to deliver solutions to better understand our world, optimize our behavior and ultimately live smarter. Climate change, biodiversity loss, energy shortages and natural resource depletion are some examples of global challenges we believe can be reversed through the advancement of technology and exchange of real-time information. Throughout this report, we highlight some of the key targets, objectives, challenges and opportunities we have prioritized over the last calendar year to achieve this end.

We have taken a data-driven approach by continuing to develop and refine our CSER strategy to focus on the most material issues to our business. Our CSER metrics system enables us to track, monitor and report our performance in order to achieve our targets:

- Ensure our integrated CSER management system, The Flex Pledge, is current with environmental, health, safety, labor and human rights standards worldwide;
- Build a strong and vibrant CSER culture, increasing employees’ awareness and knowledge of sustainability, safety and citizenship concepts;
- Reduce CO₂ emissions per revenue dollar by 15% by the end of CY2015 (baseline CY2009);
- Reduce water consumption per revenue dollar by 10% by the end of CY2015 (baseline CY2012);
- Reduce waste generation per revenue dollar by 10% by the end of CY2015 (baseline CY2012); and
- Achieve injury and occupational disease and lost time cases rates equal to 0 or a 15% reduction year over year by the end of CY2015 (baseline CY2012).

Flex has received numerous CSER awards from our valued customers, both at the corporate level and for our efforts at our sites around the world, including three CSER Awards from Microsoft®. Here are some of our key achievements for this year:

- Injury and Occupational Diseases Rate decreased by 10% (2014 vs 2012);
- Lost Time Cases Rate decreased by 13.6% (2014 vs 2012);
- As of December 31, 2014, 41% of our sites had more than 100 days without accidents.

Eleven sites across the world had zero injuries and occupational diseases during CY2014.

- EMEA and Asia decreased their lost time rate by 14% (2014 vs 2013).
- Americas and Asia decreased their Injury and Occupational Diseases Rate by 17 and 27% respectively (2014 vs 2012).
- Zero work-related fatalities.

We feel confident that by recognizing both our opportunities and the progress we have made, we are equipped to make the most tangible benefit to society and the environment, while maintaining the interests of our shareholders. Going forward, we are seeking to become more transparent through public disclosure using the GRI™, SASB™, RAFI and others, and will verify key sustainability data to ensure valid results using external assurance providers.

Thank you for your interest in Flex’s CSER program. We look forward to engaging with you in the future.

Mike McNamara, Chief Executive Officer
We design and build intelligent products for a connected world, enabling the world to live smarter.
About Flex

Flex is a leading sketch-to-scale™ solutions company that designs and builds intelligent products for a connected world. With nearly 200,000 professionals across 30 countries and a promise to help make the world Live smarter™, Flex provides innovative design, engineering, manufacturing, real-time supply chain insight and logistics services to companies of all sizes in various industries and end-markets. For more information, visit www.flextronics.com or follow us on Twitter @Flextronics.
Employees covered by collective bargaining agreements

Flex respects the right of our employees to have freedom of association. This includes the right to form or join trade unions or other worker organizations. In all situations, Flex fully complies with all applicable laws and regulations at the sites in which we operate.

FORTUNE MAGAZINE’S MOST ADMIRED COMPANIES

On Fortune Magazine’s released Most Admired Companies list, Flex improved over last year’s position, rising from #7 to #6 in the Semiconductor category. Key attributes that factored into the upward trend for the Company included the areas of Social Responsibility, Use of Corporate Assets and Global Competitiveness.
**Industry Expertise**

Flex provides our customers with the comprehensive vision to seize opportunities others cannot. With deep industry expertise, Flex translates cutting-edge innovations into competitive advantages, providing superior concept and design services, manufacturing excellence, after-market capabilities and more for our customers.

At Flex we see unparalleled opportunity to create a better life and a more sustainable future by building a smarter, more connected world.
Global Citizenship Report 2015

FLEX RECEIVES MANUFACTURING PARTNER OF THE YEAR AWARD FROM ENPHASE ENERGY®

Enphase Energy®, the world’s #1 provider of microinverter and solar system monitoring solutions, honored Flex with their Manufacturing Partner of the Year award. Flex was recognized for its outstanding performance in the areas of quality, quantity, on-time delivery and product launch support.

LIGHTING SOLUTIONS BUSINESS DIVISION WINS PRODUCT INNOVATION AWARD

Flex Lighting Solutions recently won a Product Innovation Award from Architectural SSL Magazine for its latest generation of high bay fixtures. The Essentials Series received Architectural SSL magazine’s 2014 Product Innovation Award in the High Bay lighting category.

“Flex is proud to help our customers respond to regional growth opportunities while reducing the time to bring new solutions to market. Collectively, we are helping commercial and industrial businesses lower their utility bills with energy efficient lighting solutions,” said Jeannine Sargent, President Innovation and New Ventures at Flex.

FLEX RECEIVES MANUFACTURING PARTNER OF THE YEAR AWARD FROM ENPHASE ENERGY®

LIGHTING SOLUTIONS BUSINESS DIVISION WINS PRODUCT INNOVATION AWARD

AUTOMOTIVE SEGMENT WINS SMR EXCELLENCE IN PROJECT MANAGEMENT AWARD

On July 17, Flex Automotive received an award for “Excellence in Project Management” from SMR during its supplier summit conference in Michigan (U.S.). Samvardhana Motherson Reflectec (SMR) manufactures a wide range of automotive components, owning a 22 percent share of the global market in production of exterior mirrors for light vehicles.
Global Citizenship Report 2015

Worldwide Operations

Our network of facilities in all of the world’s major markets gives us the scale and flexibility to launch products globally—faster and with less complexity. Working with world-class, reliable, certified suppliers, our regional facilities have what customers need, when they need it.

Flex delivers superior performance and results for our customers through an extensive network of design, engineering, manufacturing, and logistics facilities in more than 100 locations across 30 countries. We help our customers bring products to market faster and more reliably than any other company, using our unparalleled global reach and relationships with tens of thousands of suppliers.

Francois Barbier, Group President Global Operations & Components

CSER is a very important area for me. In addition to being a pillar of the Flex management system, CSER is also a key part of my personal value system. It is critical to embrace and embody the positive values that CSER provides to all of us and our industry at large.

No matter where we live or work, we all share similar needs such as nutritious food, adequate shelter, and a sustaining environment. We also share closely aligned expectations and core desires such as belonging to a community or team that provides mutual respect and appreciation.

And when we understand our common shared needs and desires, how can we not become ambassadors and proponents of CSER?

I am very proud to be part of the Flex team, where CSER is taken seriously and fully embraced, forming an integral part of the corporate culture that is demonstrated daily at our locations around the world.

I strongly believe our ongoing success as a business is in part due to our commitment to social and environmental responsibility. Our customers, suppliers and partners see our commitment in action. As such, we must continue to fully embrace and expand our commitment to CSER, not only is it the correct course of action for all of us, it is also the correct course of action for a growing and thriving business that intends to continue thriving, along with the communities and stakeholders it serves.

I remain committed to ensure that Flex continues to maintain its leadership position in setting the CSER standard across our industry. In doing so, I am confident that not only are we doing the right thing for the planet and all who share it, but we will also benefit by elevating, advancing and retaining best-in-class employees who value CSER and recognize the true meaning of teamwork.

As I stated spontaneously during our last Leadership conference, we should all continue to do business with our brain and CSER with our hearts.

Francois Barbier
Group President, Global Operations & Components
FLEX HUNGARY WINS SUPPLY CHAIN EXCELLENCE AWARD

On November 26, the Central and Eastern European (CEE) Logistics and Supply Chain Management Excellence Award for Manufacturing category was presented to Western Hungary Industrial Park (WHIP), the collaborative group of Flex facilities in Sarvar, Tab and Zalaegerszeg, Hungary. The award was bestowed during the CEE Logistics and Supply Chain Management Summit in Budapest, Hungary. Many top European industry leaders, manufacturers and solution providers participated in the summit.

The Flex Customer Innovation Center in Milpitas, California received the Council of Supply Chain Management Professionals’ (CSCMP) 2014 Supply Chain Innovation Award™. The honor was presented at the group’s Global Conference in San Antonio, Texas, on September 24.

The Precautionary Principle

Flex maintains its own list of restricted and prohibited substances that are passed on to the suppliers we select and we use a pre-approval process for any new chemicals introduced into our factories. As a service provider to original equipment manufacturers (OEMs), Flex generally does not create the specifications for the products we assemble and those products are distributed and sold under other brands. However, a significant number of our leading customers have issued specifications to Flex, which we have implemented, that include lengthy lists of restricted and prohibited chemical substances, in many cases well beyond regulatory requirement. Although Flex has not formally adopted the United Nations Global Compact and the Precautionary Principle (Principle 7), our customers have effectively introduced the Precautionary Principle into our business via product specifications.
Global Citizenship Report 2015

Externally Developed Initiatives Endorsed by Flex

Flex is a founding member of the Electronic Industry Citizenship Coalition (EICC®), and follows its Code of Conduct. First issued in 2006, the EICC® Code in turn references several key international standards, including the Universal Declaration of Human Rights, International Labor Standards, ISO14001:2004, OHSAS18000, SA8000®, the OECD Guidelines for Multinational Enterprises and others. Flex has incorporated the EICC® Code into our Code of Business Conduct and Ethics and our Flex Pledge management system, and we require our suppliers to conform to the Code’s standards as well. Many of our facilities are registered under ISO14001:2004 or OHSAS18000 or both, providing additional assurance that these standards are being implemented into our regular operations.

Membership Associations

Flex actively collaborates with various non-governmental organizations to strive for a greener environment, responsible sourcing and further advancement of human rights:

Electronics Industry Citizenship Coalition (EICC®)

The EICC® is a coalition of the world’s leading electronics companies working together to improve efficiency and social, ethical, and environmental responsibility in the global supply chain.

Global Business Initiative on Human Rights (GBI)

The GBI is a unique business-led initiative focused on advancing human rights in a business context around the world.

Globally Promoting Responsible Waste Stewardship

CHWMEG®, Inc., is a non-profit trade association comprised of manufacturing and industrial companies interested in efficiently managing the waste management aspects of their environmental stewardship programs.

Conflict-Free Sourcing Initiative (CFSI)

Flex is an active participant in the Conflict-Free Sourcing Initiative (CFSI), and has been involved with workgroups developing the processes, tools, and resources to enable organizations in all industries to move toward responsible sourcing, and compliance with Conflict Mineral regulations.
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Procurement Practices
Economic Performance

The objective of our business model is to allow us to be flexible and redeploy and reposition our assets and resources as necessary to meet specific customer's supply chain solutions needs across all of the markets we serve and earn a return on our invested capital above the weighted average cost of that capital.

Key Highlights

- Increased annual net income 64%
- Increased earnings per share 73%
- Raised standard entry-level wage 15% over local minimum wage at select locations

Awards

Top Treasury Team/Top Treasurer of the Year
Recipient: Flex Asia treasury center.
Awarded by: EuroFinance.

National Top of Companies 2014
Recipient: Flex Timisoara.
Awarded by: Chamber of Commerce and Industry of Romania.

Key Performance Indicators (KPIs)

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<tr>
<th>Fiscal Year</th>
<th>Net Sales (USD, in thousands)</th>
<th>Net Income (USD, in thousands)</th>
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<tbody>
<tr>
<td>FY13</td>
<td>23,569.5</td>
<td>277.1</td>
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<tr>
<td>FY14</td>
<td>26,108.6</td>
<td>365.6</td>
</tr>
<tr>
<td>FY15</td>
<td>26,147.9</td>
<td>600.8</td>
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</table>
Economic Performance

In fiscal year 2015, Flex generated revenue of US$26.1 billion with net income of US$0.6 billion, earnings per share of US$1.02 and operating cash flow of US$0.8 billion.

We use a portfolio management approach to manage our extensive service offerings. As our OEM customers change the way they go to market, we reorganize and rebalance our business portfolio in order to align with our customers' needs and requirements in an effort to optimize our operating results. For example, during the past few years we have made significant efforts to evolve our long-term portfolio towards a higher mix of businesses which possess longer product life cycles and higher margins such as reflected in our Industrial and Emerging Industries (IEI) and High Reliability Solutions (HRS) businesses. During the last two fiscal years we launched several programs broadly across our portfolio of services and in some instances we deployed certain new technologies. Some of these programs have started to yield better results, as demonstrated by our margin improvement over a comparable base of sales during fiscal year 2015. We continue to invest in innovation and we have expanded our design and engineering relationships through our product innovation centers.

Flex provides risk factor disclosures in its Forms 10-K and 10-Q filed with the U.S. Securities and Exchange Commission.


FLEX ASIA TREASURY CENTER HONORED WITH TOP TREASURY TEAM/TOP TREASURER IN CHINA

The Flex Asia Treasury team was honored with the award - Top Treasury Team/Top Treasurer of the Year. The prestigious Tao Zhu Gong Awards ceremony was held September 18, in Beijing, China. The top award, presented by EuroFinance, a subsidiary of the Economist Group, represents the most influential award in the Treasury industry in China.

The Flex team set up a series of innovative liquidity solutions in China to align with the deregulation trend of the government. The team actively manages investment portfolios and works to keep improving foreign exchange risk management.

In 2014, the Tao Zhu Gong Awards tables were hosted by 11 of the world's leading banks and attended by over 100 senior treasury and finance professionals. Twelve companies were recognized for their excellence in treasury. Winners of the award categories were selected according to their achievements in key aspects of the treasury role – from liquidity management and funding, to supply chain finance and best application of technology.
Direct Economic Value Generated and Distributed

We are one of the world’s largest sketch-to-scale solutions provider, with revenues of US$26.1 billion in fiscal years 2015 and 2014. We have established an extensive network of manufacturing facilities in the world’s major markets (Asia, the Americas and Europe) in order to serve the growing needs of both multinational and regional OEMs and ODMs. In fiscal year 2015, our net sales in Asia, the Americas and Europe represented approximately 50 percent, 34 percent and 16 percent respectively of our total net sales based on the location of the manufacturing site.

The objective of our operating model is to allow us to be flexible and redeploy and reposition our assets and resources as necessary to meet specific customer’s supply chain solutions needs across all of the markets we serve and earn a return on our invested capital above the weighted average cost of that capital.

Key Indicators *

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<tr>
<td>Net Sales</td>
<td></td>
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<tr>
<td>26,147.9</td>
<td>26,108.6</td>
<td>23,589.5</td>
<td>20,340.0</td>
<td>20,642.6</td>
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<tr>
<td>Income before taxes</td>
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<td>400.5</td>
<td>328.8</td>
<td>574.7</td>
<td>634.3</td>
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<tr>
<td>Net Income</td>
<td>690.8</td>
<td>365.6</td>
<td>271.1</td>
<td>408.0</td>
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<td>Earnings per share</td>
<td>1.02</td>
<td>0.59</td>
<td>0.45</td>
<td>0.72</td>
<td>0.77</td>
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<tr>
<td>Total Assets</td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>11,585.6</td>
<td>12,360.0</td>
<td>10,591.6</td>
<td>11,033.8</td>
<td>11,633.1</td>
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<tr>
<td>Total long term debt, excluding current portion</td>
<td>2,097.6</td>
<td>2,100.0</td>
<td>1,851.0</td>
<td>2,143.0</td>
<td>2,198.9</td>
</tr>
<tr>
<td>Shareholder’s equity</td>
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<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>2,396.3</td>
<td>2,201.7</td>
<td>2,246.8</td>
<td>2,284.0</td>
<td>2,294.7</td>
<td></td>
</tr>
</tbody>
</table>

*In thousands, except per share amounts, Fiscal Year ended March 31. 

Profitability and Cash Flow Generation

The Company’s gross profit totaled US$1.5 billion in fiscal year 2015, and US$1.4 billion in fiscal year 2014. Income from continuing operations was US$600.8 million in fiscal year 2015, compared to the US$366.6 million in fiscal year 2014. Changes in our profitability were primarily affected by no restructuring charges incurred during fiscal year 2015 as compared to the prior year.

For the three-year period ended March 31, 2015, we generated US$53.1 billion of operating cash flow that has allowed us to repurchase 150 million shares of our outstanding stock for a total price of US$1.2 billion.

Financial Implications due to Climate Change

As fully described in our last CDP™ submission, our company-wide risk management process encompasses the following: new regulatory requirements; new customer requirements; escalating operating costs such as diminished or interrupted supply of electricity and other essential resources; brand/reputation risks associated with potentially diminished attractiveness to customers, investors, and employees; and potential business interruption risks associated with the foregoing factors as well as the potential impact from more frequent and/or extreme weather events that may be triggered as climate change continues to worsen. Risks and opportunities are assessed at the site level in all Flex locations. The basis for assessment is regulatory requirements and/or customer requirements and/or local energy/climate change requirements.

Our enterprise risk management process involves regular assessment of physical, financial, and other risks. We have previously identified climate change as important to our sustainability strategy and the business, and we have begun to factor the potential impacts associated with climate change into site-specific strategies e.g., in water stressed areas.

Flex has identified climate change risks driven by changes in regulation, physical climate parameters, and other climate-related developments. The exact financial impact of these risks is difficult to quantify as they are all hypothetical risks at this time. Quarterly risk analysis and monitoring is currently underway and is not expected to add any cost greater than 1% of Flex operating costs.
Business Opportunities

Flex is increasingly identifying and capitalizing on opportunities related to climate change solutions. Our business already includes a wide variety of products related to renewable energy (assembly of solar modules and solar power inverters), energy efficiency ("smart" meters and actuators, high efficiency LED lighting solutions) and efficient power conversion and storage (high density batteries and power supplies, wireless charging), Flex is 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.

Flex is engaging in public discourse on all of these subjects under The Intelligence of Things.

Climate change is impacting consumer demand for more energy efficient products and services. Furthermore, as changes in temperatures and precipitation patterns become more extreme and begin to interrupt the daily lives of consumers, the products Flex builds and the services we create for our customers will change.

It is difficult to estimate the financial impact of goods and services that we do not place on the market. However, Flex anticipates these market segments that address the impacts of climate change (i.e., smart meters), to grow significantly over the next 1-3 years and beyond. Flex has the potential to grow existing revenue through higher consumer demand of energy-efficient products that could result in an increase in revenue by approximately 1% over the next 3+ years.

Flex is growing an important energy business helping customers produce many of the technologies and components vital to a clean and green economy.

- Our capacity for manufacturing solar modules is 1,700 MW making Flex the largest manufacturer outside of China.
- We are also active in manufacturing components for concentrated solar power plants (CSP).
- We are active in the power electronics space and produce nearly 2 GW of solar inverters.
- We are manufacturing energy storage systems for several customers with varying chemistries including zinc bromine flow batteries and lithium ion solutions for residential and grid scale applications.
- Flex is a sizeable producer of smart electric meters; we manufacture 25% of the smart meters deployed in North America.
LIVE SMARTER

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Market Presence

In order to attract, retain and motivate our workforce, Flex has put in place the Total Rewards philosophy that encompasses both transactional and relational rewards. Transactional rewards relate to base salary, incentives and benefits such as insurance and pension contributions. Relational rewards are based on the provision of a work environment which enhances and actively supports the employee experience and creates a platform for development, job satisfaction and career growth.

Employee performance, as well as the performance of Flex, drives an employee's total compensation. Pay ranges help determine pay along with an employee's grade, job and location.

Compensation ranges are closely monitored and evaluated on an annual basis to ensure Flex is competitive with our peer group companies.

Procurement Practices

Flex has indirect economic impacts in the countries or regions where we do business. One measure of our impact is the proportion of spending on local suppliers. Flex suppliers support Flex businesses by providing low volumes of high inventory rotation, saving freight costs, and enabling prompt response for business needs. These companies also create local job opportunities, which impact the local economy.

At Flex, the 2014 spending on local suppliers at the top 10 locations worldwide was 26.69 percent. The spending percentage on local suppliers varies due to the nature of the projects and related OEM customers. Local supplier spend is typically high in Asia with the largest concentration in China. Even within a region, the percentage of spend can vary significantly - one site in the US had local spending of approximately 65 percent, due to the nature of OEM projects (specialized segments such as Aerospace and Defense), compared to sites in Mexico and Brazil that had 13 and 7 percent local spending.

Defined Benefit Plan Obligations

During fiscal year 2015, Flex had a limited number of defined benefit plans. Some of these plans were put in place to conform to the laws of the countries we operate in, while others were inherited from prior acquisitions. These contributions were primarily made in Europe and were immaterial in fiscal year 2015.

Financial Assistance Received from Government

Flex received no financial assistance from any government agency during fiscal year 2015.

Flex introduced a branded LED lighting solutions portfolio in 2012 targeting commercial and industrial applications at industry leading levels of power efficiency. Lighting typically accounts for up to 35% of the electrical load of commercial buildings. That energy load can be reduced by over 50% through the implementation of Flex LED lighting and control technologies.

Ratios of Standard Entry Level Wage by Gender compared to Local Minimum Wage at Significant Locations of Operation

<table>
<thead>
<tr>
<th>Location</th>
<th>Female 2014</th>
<th>Male 2014</th>
<th>Annual Variation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Location1</td>
<td>1.15</td>
<td>1.15</td>
<td>4%</td>
</tr>
</tbody>
</table>

Proportion of Spending on Local Suppliers at Significant Locations of Operation

<table>
<thead>
<tr>
<th>Year</th>
<th>Proportion</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>31%</td>
</tr>
<tr>
<td>2014</td>
<td>27%</td>
</tr>
</tbody>
</table>

Source: Human Resources Data System.

Highlights

Raised standard entry-level wage by gender 15% over local minimum wage at select locations.

At Flex, the 2014 spending on local suppliers at the top 10 locations worldwide was 26.69 percent. The spending percentage on local suppliers varies due to the nature of the projects and related OEM customers. Local supplier spend is typically high in Asia with the largest concentration in China. Even within a region, the percentage of spend can vary significantly - one site in the US had local spending of approximately 65 percent, due to the nature of OEM projects (specialized segments such as Aerospace and Defense), compared to sites in Mexico and Brazil that had 13 and 7 percent local spending.

Sustainability Governance, Materiality and Stakeholder Engagement

We're proud of what we do, every day, to make the world a better place.
Sustainability governance at Flex is well established as an important part of our business. Our Code of Business Conduct and Ethics (CoBCE) applies to all of our directors, officers and employees (including our executive officer, financial officer and accounting officer). Our CoBCE can be found on the Corporate Governance page of the Investor Relations section of our website at www.flextronics.com. The CoBCE incorporates the EICC® Code of Conduct (http://www.eicc.info/eicc_code.shtml), making the EICC® Code a part of our governance system.

Flex Articles of Association gives our Board of Directors the authority to manage our business. In that regard, the Board oversees the overall interest of the company, provides guidance on strategic business planning processes, watches over the senior management’s business conduct and is responsible for the succession planning of key executives, including our Chief Executive Officer (CEO). Our Board of Directors held a total of six meetings during fiscal year 2015. Throughout fiscal year 2015, our non-employee Directors met at regularly scheduled executive sessions without management participation.

The CSER team is led by a VP who reports to the Chief Human Resources Officer, and thus has direct access to the Executive Staff. Sustainability updates are delivered regularly to the Executive Staff via a CSER Dashboard. In addition, a quarterly Executive Sponsor meeting is held with the following executives' participation: Chief Financial Officer (CFO), Chief Compliance Officer, General Counsel, Segment Presidents, Vice President of Quality, Vice President of Security and Brand Protection and Vice President of Audit and Risk Management. The head of CSER also regularly presents sustainability updates to the Board of Director’s Audit Committee.

The VP, CSER is a standing member of the Ethics and Compliance Council which meets monthly. The Sustainability Council - comprised of Flex CEO, CFO, Group President of Operations, the CHRO (and others) - convenes when sustainability strategy-related matters requiring consideration arise, e.g. adoption of CSER goals. The Corporate Sustainability Leadership Committee similarly gathers semi-annually to share information with individuals across various organizations who are directly responsible for implementing sustainability initiatives. During the course of the year, the CSER team publishes internal and external newsletters and works closely with internal functions such as Procurement and Supplier Quality, Engineering Operations, Legal, and Technology.
Materiality Assessment and Stakeholder Engagement

As referenced in About Flex section, our facilities include large industrial parks and regional manufacturing operations. We also have design, engineering, and product introduction centers throughout the world (G4-17a). This report covers all Flex entities (G4-17b), however the scope of the material CSER aspects and/or indicators included may be smaller depending on our materiality analysis (see Significant Aspects and Boundaries).

Key functional areas of the Company were identified by a collaborative effort of our internal and external stakeholders during the reporting period in order to define relevant content in this report and to provide pertinent information (G4-18a).

As part of the process, we identified the scope of every material aspect in significant locations around the globe and its impact within or outside of Flex (G4-18a). Each functional representative and their team members were briefed on GRI™ reporting principles for defining report content prior to project kickoff. During the data collection period we constantly validated GRI™ principles and made continuous improvements (G4-18b).

Significant Aspects and Boundaries

The following matrix shows the classification of Flex and GRI™ Aspects according to the final relevancy assessment done by each functional area. All evaluations were conducted on a daily engagement with internal and external stakeholders.

Notes: 1) Materiality is used herein as defined by the Global Reporting Initiative’s G4 Guidelines; 2) Chart shows relevance to our stakeholders, does not indicate performance.
Initial significance assessment included all GRI™ aspects including: economic performance, employees, communities, environment, ethics and governance, risk management, product and supply chain responsibilities etc. At the end of the process we settled on 11 important aspects within the organization and 5 outside the organization.

We have not reassessed the previous reports [G4-22]. This report covers the same scope and list of aspects compared to the previous report covering: economic performance, environmental performance, supplier assessments, local communities and anti-corruption [G4-23].

<table>
<thead>
<tr>
<th>Category</th>
<th>&quot;Material&quot; Aspect (per G4-19)</th>
<th>Scope [G4-20a]</th>
<th>GRI™ Indicators</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Social</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Human Rights</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Working Hours</td>
<td></td>
<td>All manufacturing and services sites*</td>
<td>Flex Metric</td>
</tr>
<tr>
<td>Forced or Compulsory Labor</td>
<td></td>
<td>All manufacturing and services sites*</td>
<td>Flex Metric</td>
</tr>
<tr>
<td><strong>Labor Practices and Decent Work</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Occupational Health and Safety</td>
<td></td>
<td>All manufacturing and services sites*</td>
<td>G4-LA6</td>
</tr>
<tr>
<td>Training and Education</td>
<td></td>
<td>All entities</td>
<td>G4-LA11</td>
</tr>
<tr>
<td><strong>Society</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Anti-corruption</td>
<td></td>
<td>All entities</td>
<td>G4-SD4</td>
</tr>
<tr>
<td>Local Communities</td>
<td></td>
<td>All manufacturing and services sites*</td>
<td>G4-SD1</td>
</tr>
<tr>
<td><strong>Environmental</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Effluents and Waste</td>
<td></td>
<td>All manufacturing and services sites*</td>
<td>G4-EN22, G4-EN23</td>
</tr>
<tr>
<td>Emissions</td>
<td></td>
<td>All manufacturing and services sites*</td>
<td>G4-EN15, G4-EN16, G4-EN17, G4-EN19</td>
</tr>
<tr>
<td>Water</td>
<td></td>
<td>All manufacturing and services sites*</td>
<td>G4-EN8, G4-EN10</td>
</tr>
<tr>
<td><strong>Economic</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Economic Performance</td>
<td></td>
<td>All entities</td>
<td>G4-EC1, G4-EC2</td>
</tr>
<tr>
<td>Market Presence</td>
<td></td>
<td>All entities</td>
<td>G4-EC3</td>
</tr>
</tbody>
</table>

* Operations in the Americas, Europe, the Middle East, Africa (BMEA), and Asia: Austria, Brazil, Canada, China, Czech Republic, Germany, Hungary, India, Indonesia, Ireland, Israel, Italy, Japan, Malaysia, Mexico, Netherlands, Poland, Romania, Singapore, Sweden, Turkey, United Kingdom, Ukraine and the United States [G4-20a].

**Preferred Supplier List (PSL): Geographical location varies, but more attention is on suppliers located in China [G4-21a].

***Operations in the Americas, Europe and Asia: Brazil, China, Malaysia, Mexico, Poland, Romania, and the United States [G4-21a].
### Stakeholder Engagement

Flex values feedback and input from our internal and external stakeholders, to whom we listen and with whom we collaborate, and we provide responses to all their concerns identified during the engagement process. We recognize our customers, shareholders, potential investors, suppliers, subcontractors, governments/ regulatory agencies, unions, Non-Governmental Organizations (NGOs), CSER industry associations, and our employees as key stakeholders [G4-24]. The engagement and interaction between Flex and its stakeholders is defined by the nature of company business, the scale of the organization, and the social, economic, and environmental impacts of our operations [G4-25].

Flex uses all types of communications channels available to approach all its stakeholders, including written communication, meetings, regular and specialized reports, contracts, and surveys, among others [G4-26a]. The frequency varies, and depending upon the topic and business process, the engagement might be daily, monthly, quarterly, annually or whenever the need arises [G4-26a].

Taking advantage of the regular communication and business process, Flex continually identifies key sustainability topics and concerns of our stakeholders. Then, strives to incorporate them into its business and corporate sustainability strategies (see table), all of this is considered as part of the report preparation process [G4-26a]. Key topics include integrity/ethics, company performance, regulatory compliance, compliance to EICC® standards, working conditions, among others [G4-27].

### Key Topics and Concerns Raised Through Stakeholder Engagement

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Social</td>
<td>Excessive working hours per week. Weekly day of rest.</td>
<td>We participate in EICC® Task Forces on the U.N. Guiding Principles, Trafficking and Forced Labor, Transparency and Environmental Compliance.</td>
</tr>
<tr>
<td>Forced or Compulsory Labor</td>
<td>Freedom of association. Incorporation of U.N. Guiding Principles and/or International Labour Standards.</td>
<td>The EICC® regularly hosts NGO participants at its meetings and we have engaged actively in these dialogues.</td>
</tr>
<tr>
<td>Occupational Health and Safety</td>
<td>Occupational health and safety performance.</td>
<td>Flex CSER management system integrates OHSAS 18000, all Flex sites are requested to have a Health and Safety management system in place. This is verified through Flex Pledge physical audits performed by corporate team.</td>
</tr>
<tr>
<td>Training and Education</td>
<td>Recognition for performance. Opportunities to learn and grow.</td>
<td>First CSER Best Practices Competition was launched and included a Health and Safety category.</td>
</tr>
<tr>
<td>Anti-corruption</td>
<td>The importance of our culture, integrity and ethics.</td>
<td>Special projects and programs to address employee’s concerns and improve employee engagement: site/segment/function coffee talks/town halls, lunch &amp; learn, mutual respect training, management workshop (culture intervention), values workshop, leadership skills training (e.g., coaching &amp; mentoring skills workshop, frontline leaders program), recognition programs.</td>
</tr>
<tr>
<td>Local Communities</td>
<td>Identify suitable community partners, consistent with our ability to contribute.</td>
<td>Flex emphasizes our pledge to ethical behavior. One way is through our Code of Business Conduct and Ethics which can be found on our public website and available in multiple languages.</td>
</tr>
</tbody>
</table>

Flex has been vocal in the need for a solution to working hours issues that are generated by interested parties, including the EICC®, Original Equipment Manufacturers (OEMs), Electronics Manufacturing Services (EMS) companies, NGOs, academia, and governments. We recognize that there are many factors that contribute to this situation, and only through a broad consortium of stakeholders will we find common ground.

**Key Topics and Concerns Raised Through Stakeholder Engagement**

- **Forced or Compulsory Labor**
  - Freedom of association.
  - Incorporation of U.N. Guiding Principles and/or International Labour Standards.

- **Occupational Health and Safety**
  - Occupational health and safety performance.

- **Training and Education**
  - Recognition for performance.
  - Opportunities to learn and grow.

- **Anti-corruption**
  - The importance of our culture, integrity and ethics.

- **Local Communities**
  - Identify suitable community partners, consistent with our ability to contribute.
### Significant Aspects (G4-19)

#### Key Topics/Concerns (G4-27)

#### Flex Response (G4-27)

### Environmental

- **Effluents and Waste**
  - Environmental performance (including CO2 emissions, waste management, water consumption).
- **Emissions**
  - We continue to make the CSER data collection and reporting process more robust which allows us to be able to respond to the increasing customer requests to understand the environmental impact and footprint of their company.
- **Water**
  - We are also participating in the broadly accepted reporting standards of CDP™ (Climate Change and Water Disclosure Project) and Global Reporting Initiative (GRI™).

### Social & Environmental

- **Supplier Assessment for Impacts on Society**
  - CSER supply chain management.
- **Supplier Human Rights Assessment**
  - Our standard of ethics and compliance is adhered throughout the supply chain.
- **Supplier Assessment for Labor Practices**
  - How they are applying the Flex CSER initiatives.
- **Supplier Environmental Assessment**
  - The Supplier Quality team incorporates CSER criteria into its supplier management processes, including auditing.
  - CSER is included into supplier qualification process and in the Global Business Agreement (GBA) signed by our suppliers. A dedicated team performs physical audits of risk suppliers and monitors closure of corrective action plans.
  - Flex has a supplier code of conduct which clearly communicates our collective commitment to act with integrity and expectation that our suppliers do the same.

### Economic

- **Economic Performance**
  - Company performance.
- **Market Presence**
  - Direct labor salary.
- **Procurement Practices**
  - Local suppliers spend.
  - Introduction to a different way of thinking about Flex and the way we approach customers and the marketplace.
  - Q&A session with CFO about the financial results of the Company during the period.
  - Compensation ranges are closely monitored and evaluated on an annual basis to ensure Flex is competitive with our peer group companies.
  - Local suppliers support Flex businesses by providing low volumes of high inventory rotation, saving freight costs, and enabling prompt response for business needs. These companies also create local job opportunities, which impact the local economy.

Stakeholder groups that raised each of the key topics and concerns: a) social and environmental related topics and concerns were raised by customers, shareholders, potential investors, suppliers, subcontractors, governments/regulatory agencies, unions, Non-Governmental Organizations (NGOs), CSER industry associations, and our employees; b) economic related topics and concerns were raised by shareholders, potential investors, suppliers and our employees (G4-27a).
Flex Pledge: Our CSER Global Program

We believe in a sustainable future, so every generation that follows can prosper.
Message from our VP of CSER

The Flex corporate social and environmental responsibility program has three key components: a comprehensive and strong framework; a commitment to continuous improvement in our CSER performance; and increasing levels of disclosure and transparency regarding our progress. This report and previous editions have described our internally branded sustainability management system, Flex Pledge, and we are in the process of updating the Pledge to incorporate evolving international standards. In terms of performance, the metrics are included in this report of course, but the more important development from my perspective is the tremendous level of commitment and support throughout the ranks of our company’s management. Our goal is to achieve “world-class” status in CSER and we will be working diligently towards that objective.

In our last report I noted that we were examining our reporting strategy. You should expect to see a great deal more information and data on our website in the near future, enabling us to make more timely updates on all aspects of our performance.

Lastly, our stakeholders should appreciate that another goal here at Flex is to continue building a strong and vibrant CSER culture. A quick look at the KPIs in this report and the inspiring community activities our employees have undertaken attests to the strength of our culture presently. We have by no means reached the end of that journey, however, and we will continue to learn from one another and all of you in an effort to make that culture even stronger. Please contribute by providing your feedback on this report and by posing questions. Thank you.

Bruce Klafter, VP, CSER.
Global Citizenship Report 2015

Executive Summary
CSER Policies
CSER Management System
CSER Key Roles and Competency Assurance
Evaluating the Effectiveness of our CSER Management System
Flex Pledge Audit and Certification

Global Citizenship Report 2015

Adhering to a robust Flex Code of Business Conduct and Ethics (CoBCE), we implement programs that focus on driving continuous improvements in social, ethical, and environmental compliance throughout the world. Flex Integrated CSER Management System consolidates several management systems into one.

Goals & Progress

Goal: Keep Flex Pledge Training at the 85%+ target level.
- Target: 85%
- Progress: 100%
- Year: 2014

Goal: Implement Flex CSER Management System 2.0 in all manufacturing and logistics sites.
- Target: 100%
- Progress: 100%
- Year: 2014

Goal: Audit CSER Management System implementation in all manufacturing and logistics sites.
- Target: 100%
- Progress: 51%
- Year: 2016

Key Performance Indicators (KPIs)

Flex Pledge Corporate Audit Completion
- 2014: 51%

Flex Pledge Training
- 2014: 88%

Awards

Corporate Social Responsibility Recognition
Recipient: Flex Tczew Site.
Awarded by: President of Tczew.

CSER Microsoft® Awards
Recipient: Flex Zhuhai.
Awarded by: Microsoft®.

At the end of calendar year 2014, Flex Pledge training completion was above target.

* It does not include sites acquired in CY2014.

Our customers and local government recognized our CSER Local Programs.

Flex Pledge

Successful implementation of the Flex Integrated CSER Management System (Flex Pledge) in all Flex sites.*

51% of total sites were physically audited as part of Flex Pledge.

100% of total sites were physically audited as part of Flex Pledge.
Flex Pledge: Our CSER Global Program

Flex's corporate citizenship program is focused on global human rights, global environmental conditions, business ethics and the health and safety of all stakeholders. We have controlled business processes in place to ensure our business is conducted in a manner that goes beyond compliance.

Adhering to the robust Flex CoBCE, we implement programs that focus on driving continuous improvements in social, ethical and environmental compliance throughout the world.

As a guide to achieve this end, Flex has incorporated the relevant policies and standards stated in the EICC’s Code of Conduct, which is a code of best practices adopted and implemented by some of the world’s major electronics brands and their suppliers, of which Flex is a founding member.

CSER Policies

Flex has long been committed to practices that serve the best interests of our people, business, environment and stakeholders. That is why we created two CSER policies that represent the core of our management system:

- Environmental, Health and Safety Policy. Issued in 2002 and last revised in 2013.
- Labor and Human Rights Policy. Issued in 2011 and last revised in December, 2013.

Both policies cover all Flex entities and were approved by our Chief Executive Officer, Mike McNamara.
**CSER Management System**

The Flex Integrated CSER management system consolidates several management systems into one, and incorporates current environmental, health & safety requirements, the changes from latest EICC, and aligns them to the ISO/OHSAS format.

Our CSER management system is being updated to rev.3.0 to incorporate EICC® Code changes and to further strengthen the human rights aspects.

**FLEX ZHUHAI WON THREE MICROSOFT® AWARDS FOR CSER CAMPAIGNS**

On April 1, 2014, the Flex site in Zhuhai, China received three awards from Microsoft® for its corporate, social, and environmental responsibility (CSER) efforts. The manufacturing site won awards for:

- Best SEA (CSER) Moment Contest,
- Best Practices Competition in Environmental/Health & Safety, and
- The award for Best Practices Competition in Restricted Substance Control.

Flex competed against over 40 other Microsoft® suppliers in China.
Global Citizenship Report 2015

Executive Summary

CSER Management System
CSER Key Roles and Competency Assurance
Evaluating the Effectiveness of our CSER Management System
Flex Pledge Audit and Certification

Our global CSER team is comprised of operations, metrics, customer facing and regional leads (Americas, EMEA, South Asia and North Asia), who develop the corporate standards and tools, monitor performance, capture customer requirements, support the Flex Pledge program implementation and verify the program is in place. At the local level, one functional CSER team was established per site, led by the GM and staff. The key to the success of the implementation of our Flex Pledge program, and its management system, is based on developing/sustaining the competency level of the key players and the appropriate delegation of responsibilities (that in this case is defined by functional area).

The local CSER site team is comprised of one CSER compliance manager and one representative of the following areas: EHS (Environmental, Health and Safety), Human Resources, Operations, Finance, Customer Facing, Quality, Materials and Engineering.

Our management system considers a training matrix where each site representative has assigned a set of courses according to his or her responsibilities and function. Through an online tool, the changes, in each site team, are captured, and training courses are semi-automatically assigned. Training completion is followed up regularly in order keep training level above or equal to the 85% of completion per site. Competency assessment is verified also through the physical audits conducted by our corporate CSER regional leads.

CSER Key Roles and Competency Assurance

Benefits

- Provides a clear direction for Flex sites and an effective mechanism for continued improvement of environmental, health, safety and labor performance.

- Focuses on those aspects and risks that are most significant and offers opportunities for cost reduction and cost avoidance owing to potential penalties due to non-compliance.

- Raises awareness, and provides a clear understanding of all the applicable legislation to avoid legal penalties.

- Monitors and measures environmental, health, safety and labor efficiency to optimize resources.

- Encourages an organizational culture for employees, customers, suppliers and contractors worldwide, focused on achieving Flex values.

At the end of calendar year 2014, Flex Pledge training completion was above target.
Evaluating the Effectiveness of our CSER Management System

As part of Flex mechanisms of evaluating the effectiveness of our CSER management approach, our corporate team audits all manufacturing and logistics sites, our CSER metrics team monitors company conformance and performance at the global, regional and local level, and we are in communication with all our key stakeholders regularly, and process their feedback diligently.

**Flex Pledge Audit and Certification**

Corporate Flex Pledge audits are performed at each Flex site in order to verify that the sites are in conformance with CSER management system requirements. Effective closure of all gaps found during the audit will result in a Flex Pledge Site Certification.

At the end of CY2014, more than 50% of the total sites had been audited pursuant to Flex Pledge. The audit scores averaged 81 out of 100, where the highest scored areas were: Ethics (93), Labor (88) and Community (88).

At the end of 2014 six sites were fully certified in Flex Pledge, representing the eight percent of total sites. The corporate goal is to have 50% of the sites certified by the end of 2017.

It is noteworthy that in the past year our CSER audits have been integrated into the Flex Internal Audit program. That means our CSER auditors generally mobilize and visit the sites along with the Audit and Risk Management Services (ARMS) team as well as other functions (e.g., H.R. Compliance, Trade, etc.). The approach lessens the burden for the sites by reducing the number of visits. The more important benefit is in terms of the rigor and quality of the audits because this integrated approach enables the groups to standardize reporting and to support one another in terms of auditing techniques, controls, etc.

Evaluating the Effectiveness of our CSER Management System

Flex has created a robust CSER metrics system that enables us to:
- define metrics, goals and targets,
- gather CSER data (environmental, health and safety, labor and human rights, community partnership, Flex Pledge implementation and certification, among others),
- monitor site and global conformance and performance,
- report internal and externally all relevant indicators,
- analyze the data to improve decision making process,
- fulfill customer data requirements (i.e., attributed CO2 emissions),
- provide required information to our investors and industry associations (i.e., climate change data submission through CDP™ online tool).

**Flex Pledge Audit – Average Score per Region**

![Flex Pledge Audit – Average Score per Region](image_url)

Note: This includes 51% of total Flex manufacturing and logistics sites audited up to the end of 2014. Source: CSER Metrics System.
CSER Best Practices Competition 2014

The CSER team invited all Flex sites to participate in the CSER Best Practices Competition, in order to share projects, replicate best practices and inspire continuous improvement related to Community Partnership, Environmental and Health & Safety topics.

Objective:
To recognize Flex sites worldwide for both individual employee and team achievements, and inspire others to develop and implement innovative CSER practices aimed at improving our CSER performance, culture and benefits to our employees, customers, and the communities in which we operate.

At the end of the submission period, a total of 57 CSER Best Practices were received from all Flex sites worldwide. We truly appreciate the efforts of all participants in identifying Environmental and Health & Safety improvement opportunities at the sites, as well as social needs in the communities in which we operate.

The implementation of these practices provided financial benefits to the business, satisfied customer and employees requirements and achieved objectives aimed at enhancing CSER performance at the sites.

**Winners**

<table>
<thead>
<tr>
<th>Community Partnership</th>
<th>Environment</th>
<th>Health &amp; Safety</th>
</tr>
</thead>
<tbody>
<tr>
<td>Creating the Information Communication Technologies (ICT) Academy in seven high schools in Pomerania Tczew, Poland</td>
<td>Natural Resource Consumption Reduction Corlu, Turkey</td>
<td>Establish Medical Treatment Center for all employees in Flex DG Dongguan, China</td>
</tr>
</tbody>
</table>

EMEA EMEA ASIA
Executive Summary

Our Management System: Identifying Compliance Risks

Our Organization: Dedicated to Supporting Ethics & Compliance

Reinforcing Our Culture: Code of Conduct & Anticorruption Training

Driving Training Completion

Looking Back: What We Accomplished This Year

Looking Forward: Setting Our Sights and Continuing our Mission
Message from our Chief Ethics & Compliance Officer

We are committed to operating ethically, leading with integrity, and treating our customers, employees, and stakeholders with respect.

At Flex we recognize that culture is the only sustainable competitive advantage a company can have. Our culture is one of innovation and integrity. We hold ourselves and our business partners to the highest standards of professional and ethical behavior. Doing business ethically is core to who we are and is necessary to protect our reputation, our brand, our ability to be successful and our ability to help our customers be successful. Through our Key Values - Intense Collaboration; Passionate Customer Focus; Thoughtful, Fast, Disciplined Execution; Tenacious Commitment to Continuous Improvement; and a Relentless Drive to Win – we are committed to operating ethically, leading with integrity, and treating our customers, employees, and stakeholders with respect.

Marianne Wolf, Chief Ethics & Compliance Officer.
**Executive Summary**

Our Management System: Identifying Compliance Risks

Our Organization: Dedicated to Supporting Ethics & Compliance

Reinforcing Our Culture: Code of Conduct & Anticorruption Training

Driving Training Completion

Looking Back: What We Accomplished This Year

Looking Forward: Setting Our Sights and Continuing our Mission

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**Ethics & Compliance**

Our commitment to the highest standard of ethics and integrity helps us earn the continued confidence of our employees, customers, investors, vendors and communities. Our CoBCE weaves that commitment into principles, standards and responsibilities that help guide our behavior and decision making processes. These principles include: Business Integrity, Non-Retaliation, Privacy, Responsible Sourcing of Minerals, Protection of Identity, Fair Business, Advertising and Competition, Intellectual Property, Disclosure of Information and No Improper Advantage.

**Key Highlights**

- Released new global policies and trainings, including the new Code of Business Conduct & Ethics and the related Code and Anticorruption trainings
- Provided increased global in-person training
- Improved our Compliance Investigation Process
- Increased the number and effectiveness of compliance global communications

**Goals & Progress**

**Goal**

New Code of Business Conduct training to be completed by all eligible employees.

**100%**

**Target**

**2015**

**Target Year**

**98%**

**Progress**

**Key Performance Indicators (KPIs)**

**Code of Business Conduct and Ethics Training Completion**

<table>
<thead>
<tr>
<th>Year</th>
<th>Progress</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>96%</td>
</tr>
<tr>
<td>2014</td>
<td>98%*</td>
</tr>
</tbody>
</table>

* Our new Code of Business Conduct & Ethics was released in February 2014.

**Awards**

**Ethics Seal of Approval**

**Recipient:** Flex Althofen.

**Awarded by:** WEISS Institute.
Our commitment to the highest standard of ethics and integrity helps us earn the continued confidence of our employees, customers, investors, vendors and communities. Our CoBCE weaves that commitment into principles, standards and responsibilities that help guide our behavior and decision making processes. These principles include: Business Integrity, Non-Retaliation, Privacy, Responsible Sourcing of Minerals, Protection of Identity, Fair Business, Advertising and Competition, Intellectual Property, Disclosure of Information and No Improper Advantage.

**Ethics and Compliance Standards Commitment**

**Business Integrity**

The CoBCE is our commitment to act with uncompromising ethics and integrity at all times, in all situations.

**Protection of Identity**

Suspected violations of our CoBCE may be reported anonymously, either by telephone or over the internet, using the Flex Ethics Hotline.

**No Improper Advantage**

Giving or receiving kickbacks in any form, under any circumstance, is strictly prohibited.

**Responsible Sourcing of Minerals**

We are committed to responsibly sourcing minerals, and follow the EICC®/GeSI Conflict Minerals data reporting format.

**Disclosure of Information**

We are committed to providing timely, transparent, consistent and credible information to the investing public, in accordance with the securities laws.

**Privacy**

We are committed to taking appropriate measures to protect personal information against unauthorized access. We expect all employees to comply with our Global Employee Privacy Policy.

**Intellectual Property**

We respect the intellectual property rights of third parties. The unauthorized use or disclosure of the Intellectual Property of others is prohibited.

**Non-Retaliation**

Retaliation against any employee, officer or Board member who reports any violation of the law, CoBCE, or any other company policy or guideline is strictly prohibited.

**Fair Business, Advertising and Competition**

Standards of fair business, advertising and competition are upheld.

---

As of end of December 2014 our overall completion rate of our Code of Business Conduct training was over 98%.
Our Management System: Identifying Compliance Risks

Corporate Compliance at Flex links compliance activities and teams through a common management system designed to identify risks and prevent violations of company policy, regulatory requirements, and laws. The Compliance Program activities are driven by the Corporate Compliance Team, headed by the Chief Ethics & Compliance Officer, with oversight from our Audit Committee and our Compliance Executive Sponsors, and partnering with our Compliance Directors from across our company, who are subject matter experts in our various compliance areas. Every Compliance Director is accountable for managing, maintaining, monitoring, and continuously improving his/her own program and internal controls system, including policies, procedures, training and communication, risk assessment, root cause analysis, and remediation.

Our Organization: Dedicated to Supporting Ethics & Compliance

Flex uses the combined efforts of several key groups to manage our Ethics & Compliance Program including:

- **The Audit Committee** – which is chartered by the Board of Directors to oversee the Corporate Compliance Program.

- **The Chief Ethics & Compliance Officer** – who regularly engages stakeholders and reports out on the various aspects of the Corporate Compliance Program to the Business Presidents, Executive Sponsors, and Audit Committee on a quarterly basis.

- **The Compliance Executive Sponsors** – who oversee the Compliance function and ensure implementation and continuous improvement of the program. This group consists of the Chief Financial Officer, General Counsel, Chief Operations Officer, Chief Human Resources Officer, Chief Marketing and Chief Communications Officer and two of our Business Segment Presidents. The Executive Sponsors meet quarterly to review program initiatives and key matters, to identify and monitor key compliance risks, as well as to resolve matters escalated to them, in order to ensure consistency in risk mitigation, discipline and remediation across the organization.

- **The Compliance Council** – members support the Compliance function and help drive our culture of compliance in our Company across the globe. The Council consists of the Chief Ethics & Compliance Officer, Regional Compliance Attorneys, Compliance Directors, Corporate Compliance Team, and other relevant stakeholders from the business segments 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, assess potential ethics and compliance risks, and to share key accomplishments and future goals.

- **The Investigations Committee** – a cross-functional team consisting of Legal, Human Resources, Internal Audit and Brand Protection who meets regularly to review substantiated allegations of employee misconduct, ensuring that consistent and appropriate disciplinary actions and remedial efforts are implemented across the Company for violations of our Code of Business Conduct & Ethics, and Company policies and procedures. This group also oversees the quality and speed of our investigation process.

- **The Regional Compliance Attorneys** – who act as subject matter and functional experts in various compliance areas for their geographic regions. These professionals assist in driving the culture of compliance in their regions by, among other things, providing training, and monitoring changes in regional laws and regulations. They also provide support in the reporting and investigative functions of the Corporate Compliance Program.
Reinforcing Our Culture: Code of Conduct & Anticorruption Training

Our Code of Business Conduct & Ethics reflects Flex’s values and embodies our culture of integrity, and our commitment to high ethical standards. In February 2014, we released a new Code of Business Conduct & Ethics in eBook form, and in October 2014 we released updated Code of Conduct and Anticorruption online training in support of our new and improved Code.

The Code training highlights key compliance risk areas and helps support the fundamental message of our Code, which is that innovation, achievement, and success are only meaningful and sustainable when achieved ethically and with the highest degree of integrity.

Our Anticorruption training reinforces our straightforward message that Flex prohibits corruption and bribery in any form. The training raises awareness about corruption-related risks, and provides guidance on how to avoid potential violations of our Code and the law.

The trainings focus not only on the applicable policies and laws for each situation and for various geographic regions, but also provide scenarios that are relevant to life at Flex and pose difficult situations, which our employees must often navigate in an ethical and professional manner. We offer the trainings in 13 languages to help ensure that our employees fully understand and assimilate the critical information being delivered.
Driving Training Completion
In October 2014, we rolled out our new on-line Code and Anticorruption trainings in support of our new Code of Business Conduct & Ethics, which was released in February 2014. Our Code training is required annually and the Anticorruption training is assigned every 2 years. We actively monitor the completion rates for these trainings, and engage our Business Leaders to help broadly disseminate the message that these trainings are critical to maintaining our culture of compliance. As of end of December 2014 our overall completion rate of our Code of Business Conduct training was over 98% and our goal is to enforce virtually 100% completion by October 2015.

In addition to on-line training we provide live training globally on key compliance issues to our executives and employees in a variety of forums such as leadership conferences, regional and corporate staff meetings, and site level trainings. We recently developed a new training which highlights key aspects of our Code of Business Conduct & Ethics including: workplace respect; health and safety; ethical dealing; no retaliation; and reporting. This training deck is available in 16 languages for employees to use with their teams and will be rolled out globally in 2015.

Looking Back: What We Accomplished This Year
The Corporate Compliance Program conducts an annual "look back" to evaluate its accomplishments and effectiveness during the past year and to set goals for the upcoming year. The results of this "Year in Review" are reported to the Compliance Executive Sponsors and Audit Committee. Some of the 2014 accomplishments include:

- Released new global policies and trainings, including the new Code of Business Conduct & Ethics and the related Code and Anticorruption trainings.
- Provided increased global in-person training.
- Increased the number and effectiveness of compliance global communications.
- Improved our Compliance Investigation Process.
- Continued review, assessment, and improvement of our various compliance areas.

Looking Forward: Setting Our Sights and Continuing our Mission
Flex seeks to continually improve its Corporate Compliance Program. To that end, we continually assess potential compliance risks and develop remedial efforts to address and mitigate those risks. In support of that mission, we have undertaken the following goals for 2015:

- Continue and strengthen our partnership with our People & Resources Department to maintain Flex as a leader in CSR.
- Continue to support our IT and Brand Protection partners in preserving Flex as a leader in IT and Physical Security.
- Support our Procurement Program in continuing to improve supplier compliance, and improved third party due diligence efforts.
- Continue to drive "zero tolerance" for lying during investigations, stealing from the company or any of our business partners, and cheating through intentionally falsifying information.
- Ensure high completion rates for Code and Anticorruption training.
- Continue to improve our compliance investigation process focusing on timeliness and effectiveness.

FLEX ALTHOFEN AWARDED ETHICS SEAL OF APPROVAL
Flex Althofen is the first company in Austria to receive this gold certificate (the highest recognition for CSR activities). Together with CSR experts from the WEISS network, the ethics check was conducted on the Flex Althofen site in a half-day workshop with the management team, the work councils and youth council. Using dialogical methods, three levels were evaluated: ethical maturity, fundamental values and holistic ethical and sustainable corporate management. There are core criteria that must be met in order to receive the "Ethically Certified" seal of approval. The check has been developed, based on a humanistic view according to the ISO 26000:2010 and OECD guidelines, by the Business Ethics Institute Stift St. Georgen in cooperation with well-known ethics professors and international experts.

The award ceremony took place September 16 with many of the employees from the Althofen site. Representatives of the WEISS Institute, the president of the Federation of Austrian Industries Carinthia and the Bishop awarded the golden certificate to site General Manager, Erich Dörflinger.
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Employee Engagement Programs
Health and Safety
Goals and Key Performance Indicators
Labor and Human Rights
Goals and Key Performance Indicators

Global Citizenship Report 2015

Every day, we set out to lift the human spirit. We advance the cause of human rights around the world, and push for equality in every endeavor.
Message from our Chief Human Resources Officer

Our Human Resources mission is to “enable talented people to transform their passion into action” and make Flex an even greater place to work.

At Flex, we believe that culture is a company’s only sustainable competitive advantage. Our culture is centered around our five key values: intense collaboration, passionate customer focus, thoughtful fast disciplined execution, tenacious commitment to continuous improvement, and relentless drive to win. We strongly trust that virtually all of our employees come to work, every day, intending to support our culture and do what is best for our customers, our company and the communities we operate in.

Our Human Resources mission is to “enable talented people to transform their passion into action” and make Flex an even greater place to work. Employing the best talent, and doing it in a sustainable manner, is critical to our sustainability objectives. That’s one of the reasons why Talent is Flex’s first strategic vector and a primary focus area of our executive team. As part of this vector, we aim to identify, recruit, engage, develop and retain the best talent possible. These investments benefit all of our stakeholders – including our employees, our customers and the communities in which we live and work.

Paul Baldassari, Chief Human Resources Officer.
Global Citizenship Report 2015

Executive Summary

Our People

One of the company’s main focus areas in 2014 was talent development. Our mission is to achieve organization efficiency and effectiveness that enables us to empower talented people and deliver on our strategic vectors. We are committed to providing our employees with a healthy, safe and secure workplace. Our goal is to instill robust safety measures at every level of the organization. We are committed to respecting the Labor and Human Rights of all our employees through the principles which are clearly spelled out in our CoBCE.

Goals & Progress

<table>
<thead>
<tr>
<th>Goal</th>
<th>% of Indirect Labor Employees Receiving Regular Performance and Career Development Reviews (average)</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>% of Indirect Labor Employees Receiving Regular Performance and Career Development Reviews (average)</td>
</tr>
<tr>
<td>2012</td>
<td>90%</td>
</tr>
<tr>
<td>2013</td>
<td>96%</td>
</tr>
<tr>
<td>2014</td>
<td>97%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Goal</th>
<th>Injury and Occupational Diseases Rate</th>
<th>Lost Time Cases Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2012</td>
<td>0.68</td>
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<tr>
<td></td>
<td>2013</td>
<td>0.59</td>
</tr>
<tr>
<td></td>
<td>2014</td>
<td>0.61</td>
</tr>
</tbody>
</table>

Awards

Top 100 Great Places to Work

Recipient: Flex Institute of Technology, Brazil.
Awarded by: Great Place to Work®.

Key Highlights

- Decreased Injury and Occupational Diseases Rate by 10% (2014 vs 2012)
- Decreased Lost Time Cases Rate by 13.6% (2014 vs 2012)
- Received 62% favorability of HR support with 62% of employees saying their HR support was “Good” or “Excellent” overall
- Launched new service delivery model to a majority of our employees and launched the Flex Leadership Development Program
- Launched new Labor and Human Rights Metrics Center in the Americas to track EICC working hours and rest day compliance
- Achieved injury and occupational disease rate reduction equal to 15%.
- Achieved lost time cases rate reduction equal to 15%.
Our People

HR Department Highlights for 2014

We have continued our HR transformation over the last year to support our overall company strategy and execution. Our service model evolution includes:

- **HR Data System Mobile App** available in 7 languages on both iOS and Android devices: Chinese (Simplified), English, French (Canadian & Continental), German, Japanese, Portuguese (Brazilian), & Spanish.

- **Onboarding for new hires** in USA via HR Data System, including automating tasks to guide new employees through a checklist of new hire actions.

- **New HR Portal** which provides employees and managers direct access to HR related information. The improved search function allows employees to easily locate important information.

- **New HR Portal** which provides employees and managers direct access to HR related information. The improved search function allows employees to easily locate important information.

- **New Flex HR roles to both support business goals and focus on employee engagement.** HR Business Partners have been established at sites with strong accountability for employee engagement and retention.

- **A team of rapid response professionals, known as the Mobile HR team,** that focuses on business-critical, project-based work. For example, the team successfully supported the integration of four acquisitions.

- **Self-registration capabilities in Flex University for global leadership programs,** improving accessibility to development opportunities.

- **Broader HR Help Desk (call center)** capabilities deployed across all regions to reduce employees’ waiting time.

- **Growth in our Global Business Services (shared services) team,** which enables process excellence and provides support to both HR team members and our employees. 

- **Launch of the Flex Leadership Development Program:** a 2-year, global cross-functional rotation program designed to give high-potential employees broad Flex exposure and prepare them for future leadership positions.

- **New service delivery model launched to a majority of our employees.** This service delivery model ensures better HR responsiveness to employee needs.

- **New HR Portal which provides employees and managers direct access to HR related information.** The improved search function allows employees to easily locate important information.

- **GBS Transactions by year**

<table>
<thead>
<tr>
<th></th>
<th>Jan - Mar</th>
<th>Apr - Jun</th>
<th>Jul - Sep</th>
<th>Oct - Dec</th>
</tr>
</thead>
<tbody>
<tr>
<td>GBS Transactions (Mm)</td>
<td>1,171,054</td>
<td>1,171,054</td>
<td>949,201</td>
<td>1,573,690</td>
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<tr>
<td>GBS Transactions (Mm)</td>
<td>1,398,635</td>
<td>1,900,660</td>
<td>1,870,851</td>
<td>1,870,851</td>
</tr>
</tbody>
</table>

**HR Centers of Expertise - Globally or Regionally Focused**

(Talent, Rewards & Systems.)

**Strategy / Policy**
Developing Our Talent

One of Flex’s main focus areas in 2014 was talent development. Our mission is to achieve organization efficiency and effectiveness that enables us to empower talented people and deliver on our strategic vectors.

Training is crucial for organization development and success. Flex is committed to training and developing employees at all levels by providing an array of programs, including instructor-led classes, online learning, on-the-job training, and leadership development programs. These offerings support continuous improvement for our most valuable assets: our people.

Flex is also committed to meeting site training needs. Flex’s 2013 Global Employee Engagement survey revealed that training and development was a potential improvement area in Guadalajara, Mexico. In response, Guadalajara created a program, College In House, which allows employees to earn high school and bachelor’s degrees through on-site classes. This was launched in partnership with the University of Guadalajara and other local colleges. It has been very successful with a total of 960 employees already participating in these programs and with 291 on the waiting list.

In addition to continuous learning opportunities, Flex empowers employees to take charge of their careers and offers employees career management opportunities with annual goal setting, mid-year checkpoint discussions, performance appraisals, and merit. Goal setting ensures employees understand what’s expected of them for the upcoming year by establishing clear organization and personal goals. The mid-year checkpoint discussion occurs to facilitate manager/employee feedback and ensures that employees’ efforts remain aligned to organization goals.

Employee goals, achievements, and culture alignment are evaluated via our annual performance appraisal process. As an outcome of the performance appraisal process, managers have the opportunity to propose employee compensation changes during our merit process to support pay-for-performance principles. These four pillars provide the systematic framework of practices designed to drive individual and organizational performance known as the Performance Management Cycle.

GREAT PLACE TO WORK® INSTITUTE RECOGNIZES FLEX – 3 YEARS IN A ROW

For the third consecutive year, the Flex Institute of Technology (FIT) in Sorocaba, Brazil, has been selected as one of the best companies to work in the category of Information Technology. According to research conducted by the Great Place to Work® Institute, FIT ranked among the 100 most important of its kind in the country. More than 1,000 companies competed in an index assessment of employee confidence in the workplace and in the analysis of best practices for managing people.

Fernando Guerra, director of FIT, accepts award.

Evelyn Carolina Morales Alvarado, Debug Technician

I’ve been with Flex for 9 years and I’m amazed at the opportunity Flex has given me with the ability to gain my degree through the University of Guadalajara. I am now able to fulfill my dream. I encouraged several of my coworkers to sign up to earn their degree by describing what an incredible experience has been for me.
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Health and Safety

Goals and Key Performance Indicators

Labor and Human Rights

Goals and Key Performance Indicators

Our direct labor populations (colleagues that directly touch the product during the manufacturing process or provide direct customer service) also participate in site-specific performance appraisal processes. Our direct labor population’s goals and performance objectives vary, but often include safety, production, quality, and on-time delivery.
Employee Engagement Programs

Flex’s last global engagement survey was in 2013 with an overall engagement score of over 70%. A third-party consulting firm verified that this placed Flex above average compared to other similarly-sized manufacturing companies. Action planning from the 2013 survey has been completed and plans have been executed at the company-wide, segment and site levels, with all business segments and currently active sites participating. Some actions are included on this page. We plan to implement another engagement survey in 2015 to ensure our improvement actions delivered positive outcomes and to assess new opportunities for improvement.

Employee Engagement Programs

Flex maintains hundreds of active employee engagement programs across its 100+ sites. Some examples are:

Better Workplace Group (Warrington, United Kingdom) – following the results of the Global Employee Engagement Survey 2013, our Warrington site put action planning in the hands of its employees. Their “Better Workplace Group” focuses on five categories to improve engagement: Fun (e.g., football, family days, evening events), Working Smarter (e.g., e-mail management training and discussions), Learning (e.g., monthly learning hours, guest speakers), Well-Being (e.g., annual wellness drive, fresh fruit availability), and Community (community service and charitable causes).

Health Focus Days (Althofen, Austria) – to improve its well-being scores, Althofen launched Health Focus Days to ensure employees are supported and aware of important health topics. The site holds bi-monthly events organized with the site medical doctor, such as a smoking cessation campaign and an “Eye Day” that included vision tests and eye relaxation methods.

World Women’s Day (Sorocaba, Brazil) – Sorocaba organized a week of activities in conjunction with World Women’s Day on March 8. Women comprise 52% of the Sorocaba employee population. Women learned about topics including self-defense, nutrition, skin health, breast cancer, endometriosis, and other health issues.

Employee Voice Workshop (Zhuhai, China) – noting an opportunity to improve in employee/management relationships, Zhuhai launched Employee Voice Workshops that allow employees of all levels to share and discuss their concerns with management in a safe and welcoming environment. More than 20 sessions have been conducted in the first 9 months.

Learning Enhance Xperience (Morrisville, USA) – noting an opportunity to improve in employee/management relationships, Zhuhai launched Employee Voice Workshops that allow employees of all levels to share and discuss their concerns with management in a safe and welcoming environment. More than 20 sessions have been conducted in the first 9 months.

Gold Idea (Tianjin, China) – to improve overall engagement, Tianjin launched a “Gold Idea” program that allows any site employee to recommend improvements. A Gold Idea Star is selected each quarter and their recommendation is implemented. In addition to increased employee involvement, the site has achieved an estimated RMB 33,000 in cost savings from implementing the ideas.

While the next Global Employee Engagement Survey will not be implemented until the end of 2015, a separate HR customer survey indicated that 62% of employees felt that their HR support was “Good” or “Excellent” overall. This is a 7-point improvement from 2013 (55%).

Barbara Lopes, Administrative Assistant (Sorocaba, Brazil)

Maeli Pereira, Finance Supervisor (Sorocaba, Brazil)

Thank you Flex for giving us this amazing gift. We all loved the activities you had lined up for us.

Received 62% favorability of HR support with 62% of employees saying their HR support was “Good” or “Excellent” overall.
Health and Safety

We are committed to providing our employees with a healthy, safe and secure workplace. Our goal is to instill robust safety measures at every level of the organization. Flex’s Health and Safety management approach aims to ensure that all of our employees and contractors have a safe and healthy work environment. The foundation of the system is identification of risky activities and tasks and the implementation of measures intended to avoid and mitigate negative impacts (See EHS Policy). The Health and Safety management system is one of the major pillars of our Flex Pledge Program.

**Health and Safety Standards Commitment**

**Occupational Safety**
Worker exposure to safety hazards is controlled through proper design, engineering and administrative controls, preventive maintenance and safe work procedures and ongoing safety training.

**Emergency Preparedness**
Potential emergency situations and events are identified and assessed, and their impact minimized by implementing emergency plans and response procedures.

**Occupational Injury & Illness**
Procedures and systems are in place to prevent, manage, track and report occupational injury and illness.

**Sanitation, Food and Housing**
Workers are provided with ready access to clean toilet facilities, potable water and sanitary food preparation storage, and eating facilities. Additionally, dormitories are clean, safe, have appropriate emergency egress, hot water, adequate heating and ventilation and entry and exit privileges.

**Industrial Hygiene**
Worker exposure to chemical, biological and physical agents is identified, evaluated, and controlled.

**Physically Demanding Work**
Worker exposure to the hazards of physically demanding tasks is identified, evaluated and controlled.

**Machine Safeguarding**
Production and other machinery is evaluated for safety hazards. Physical guards, interlocks and barriers are provided and properly maintained where machinery presents an injury hazard.

**Health and Safety Communication**
Provide workers with appropriate workplace health and safety training in their primary language.
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Programs

Health and Safety

Goals and Key Performance Indicators

Labor and Human Rights

Goals and Key Performance Indicators

Health Enables Returns (HER) is a program that was created by the Flex Zhuhai Doumen site and has now been implemented throughout our Asia locations. The program’s primary focus is to increase women’s health awareness and enable them to access health services through sustainable workplace programs. Training content includes personal hygiene, nutritional and healthy diet, HIV transmission and prevention, hepatitis transmission and prevention, breast cancer and cervical cancer awareness, among others.

Our corporate goal is to achieve Injury and Occupational Diseases and Lost Time Cases rates equal to 0 or a 15% reduction year over year by the end of CY2015 (baseline CY2012). These Health and Safety targets apply to manufacturing and logistics sites and are voluntary (not mandated by law).

Flex has a CSER metrics system that enables tracking, monitoring and reporting of Health and Safety performance on a regular basis. We use that internal measurement system to evaluate the effectiveness of our Health and Safety management approach.

Achievements 2014:

- **Injury and Occupational Diseases Rate decreased by 10% (2014 vs 2012).**
- **Lost Time Cases Rate decreased by 13.6% (2014 vs 2012).**
- **Zero work-related fatalities.**
- **EMEA and Asia decreased their lost time rate by 14% (2014 vs 2013).**
- **Americas and Asia decreased their Injury and Occupational Diseases Rate by 17% and 27% respectively (2014 vs 2012).**

As of December 31, 2014, 41% of our sites had more than 100 days without accidents.

- **10%** Injury and Occupational Diseases Rate decreased by 10% (2014 vs 2012).

- **41%** days without accidents

- **13.6%** Lost Time Cases Rate decreased by 13.6% (2014 vs 2012).

- **Zero work-related fatalities.**

- **11** sites across the world had zero injuries and occupational diseases during CY2014.

- **10%** 13.6% 14%

- **Zero work-related fatalities.**

- **10%** 13.6% 14%

- **Zero work-related fatalities in 2014.**
### Key Performance Indicators

#### Injury and Occupational Diseases Rate

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2014 vs 2012</th>
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<tbody>
<tr>
<td><strong>FLEX</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AMERICAS</td>
<td>1.28</td>
<td>1.08</td>
<td>1.07</td>
<td>-16.7%</td>
</tr>
<tr>
<td>ASIA</td>
<td>0.46</td>
<td>0.41</td>
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<tr>
<td>EMEA</td>
<td>0.80</td>
<td>0.76</td>
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#### Lost Time Cases Rate

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<thead>
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<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2014 vs 2012</th>
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<tbody>
<tr>
<td><strong>FLEX</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AMERICAS</td>
<td>0.84</td>
<td>0.68</td>
<td>0.65</td>
<td>-23.3%</td>
</tr>
<tr>
<td>ASIA</td>
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<td>0.29</td>
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</tr>
<tr>
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<td>0.72</td>
<td>0.69</td>
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#### Injury Rate

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<tbody>
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<td><strong>FLEX</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
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#### Occupational Diseases Rate

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<th></th>
<th>2012</th>
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<tbody>
<tr>
<td><strong>FLEX</strong></td>
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<td>No Data</td>
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<tr>
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<td>0.01</td>
</tr>
<tr>
<td>EMEA</td>
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#### Lost Time Rate

<table>
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<td></td>
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</tr>
<tr>
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<td>7.65</td>
<td>7.96</td>
<td>4.0%</td>
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<td>3.13</td>
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<td>10.36</td>
<td>8.91</td>
<td>-14.0%</td>
</tr>
</tbody>
</table>

#### Work-related Fatalities

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>Annual Variation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>FLEX</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AMERICAS</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>ASIA</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>-100%</td>
</tr>
<tr>
<td>EMEA</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0%</td>
</tr>
</tbody>
</table>

Notes: 1) Industry Injury and Occupational Diseases Rates Benchmarks: Electronics Mfg. 1.30, PCBA 1.9, Plating 4.9, and Stamping 6.8. 2) Industry Lost Time Case Rate Benchmarks: Mfg. 0.7, PCBA1.1, Plating 3.3, Stamping 3.3. [Source: U.S. Occupational Safety & Health Administration (OSHA), 2013].
**Labor and Human Rights**

We are committed to respecting the Labor and Human Rights of all of our employees through the principles which are clearly spelled out in our (CoBCE). The Flex Labor and Human Rights (LHR) management approach aims to avoid and mitigate negative impacts (See LHR Policy). This management system is aligned to the EICC Code of Conduct and to other international standards. We are presently making revisions to the program, as noted previously, to incorporate evolving standards in this area, e.g., the EICC has strengthened protections against forced labor and discrimination in the workplace.

Flex is actively working on human rights issues in partnership with customers and through our participation in the Electronic Industry Citizenship Coalition and the Global Business Initiative on Human Rights. We are in the process of determining which of the best practices should become part of our policies and standards and which should be incorporated into guidance materials for Human Resources and Operations. We have already put a number of these practices into place in South Asia where Flex employs migrant workers, foreign contract workers, students and others who need additional protections.

**Labor and Human Rights Standards Commitment**

**Freely Chosen Employment**

Our employees work at Flex of their own free will and are free to leave the company upon reasonable notice under the terms of their labor contract.

**Young Workers**

We comply with all appropriate local and international regulations on the restriction of employment of child labor.

**Benefits and Wages**

We ensure that the compensation and benefits for our employees comply or exceed the minimum legal requirements of the country where employees are employed.

**Working Hours**

We comply with local working hours requirements or the EICC guideline, whichever is lower. Overtime work is voluntary and compensated in accordance with local laws.

**Freedom of Engagement with Management**

We provide the means for employees to freely voice their concerns and opinions without fear of reprisals and retribution.

**Harassment and Abuse**

We do not tolerate physical, sexual, psychological or verbal harassment or abuse towards our employees, suppliers or vendors.

**Non-Discrimination**

Our hiring, compensation, training, promotion, termination and retirement policies and practices do not discriminate on the basis of race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation.

**Goals and Key Performance Indicators**

Our labor and human rights metrics are focused upon EICC® and legal compliance (covering working hours, overtime and rest periods). Our LHR metrics system consolidates the working hours information from several time and attendance tracking systems and then calculates compliance automatically. The system releases regular reports to local, regional and global staff. System roll up is planned in phases. Phase I was completed at the end of 2014, including US and Mexico, and phase II was concluded in June of 2015 having China fully integrated into this online system. Compliance metrics for these three countries will be fully reported next year.

Flex launched an initiative applicable to production workers employees, mainly focused on having at least one day of rest in a work week. Preliminary metrics show very good progress around this EICC® requirement.

**Preliminary Metrics**

<table>
<thead>
<tr>
<th>KPI</th>
<th>% of employees compliant with EICC® - day of rest standard</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015 Jan-Mar</td>
<td>98%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>KPI</th>
<th>% of employees compliant with EICC® - 60 hour standard</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015 Jan-Mar</td>
<td>88%</td>
</tr>
</tbody>
</table>

Source: Flex CSR Metrics System.
This particular challenge revolves around our business in Malaysia where we operate several factories producing electronic goods for numerous customers, many of them well-known brands with a reputation for corporate responsibility. It is estimated that nearly two million foreign workers are employed across Malaysia in a wide variety of occupations. Flex employs over 10,000 people in Malaysia, and roughly 70% of those individuals are foreign workers.

The challenge is enlarged by the fact that those foreign workers are from ten different countries. The practices employed to recruit these workers and their working and living conditions raise potential issues that could involve forced labor, discrimination and inhumane treatment. One particularly acute issue is that labor agencies are endemic to Malaysia and have been implicated in many abuses of foreign workers.

Flex instituted no fees as of October 2014. “Goodwill” payments being made to existing workforce. Participating in a coalition that is piloting an agency accreditation model. Moved to Direct Hiring only in 2015. All contracts translated into native languages. Contracts explained pre-departure.

Corrected all fire/life safety issues. Consolidating hostels in Penang area into new units built out to Flex specifications. Centralizing food service to eliminate hot plates & rice cookers. Required the return of all passports to workers in 2014 (with exception of a few withheld by agencies). Installed lockboxes in factories for safekeeping. Provided workers with training on passport security.

New model hostel. Passport safekeeping training session.

Net: Successfully translated commitment and policy changes into operational changes. Several challenges remain, including sustaining this mode of operation in the future. The situation has dramatically heightened awareness of human rights issues and has led to a reaffirmation of the Company’s overall CSER vision.
At Flex Malaysia, we employ people from nearly all neighboring nations - Indonesia, Bangladesh, Vietnam, Nepal and Myanmar, as well as from ethnic groups such as Sabah and Sarawak. Each culture has traditions that we can learn about and celebrate.

In order to fully integrate each and every person into our Flex family, our team of employee representatives was set up. The employee representatives came from all nations and the majority (80 percent) of them are direct labor. In these meetings, we talk about our cultures, needs and suggestions as well as our challenges in daily operations. This initiative provides a loop communication between workers, office employees and top management, oriented around ethnic differences and seeing this diversity as an advantage, not as a challenge.
We are committed to safeguarding the environment—through resource conservation, recycling, and pollution prevention—so future generations can prosper. And we work across our value chain to help our partners do the same.
Environmental responsibility is an integral part of our production of world class products. In manufacturing operations, adverse effects on the community, environment and natural resources are to be minimized.

**Goals & Progress**

**Goal**
Reduce CO\(_2\) emissions per revenue dollar by 15% by the end of CY2015 (Baseline CY2009).

<table>
<thead>
<tr>
<th>Year</th>
<th>Target</th>
<th>Progress</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>15%</td>
<td></td>
</tr>
<tr>
<td>2010</td>
<td>15%</td>
<td></td>
</tr>
<tr>
<td>2011</td>
<td>15%</td>
<td></td>
</tr>
<tr>
<td>2012</td>
<td>15%</td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td>15%</td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td>15%</td>
<td></td>
</tr>
</tbody>
</table>

**Target Year**
2015

**Target Year**
2014

**Goal**
Reduce absolute CO\(_2\) emissions by 15% by the end of CY2014 (Baseline CY2009).

<table>
<thead>
<tr>
<th>Year</th>
<th>Target</th>
<th>Progress</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>15%</td>
<td></td>
</tr>
<tr>
<td>2010</td>
<td>15%</td>
<td></td>
</tr>
<tr>
<td>2011</td>
<td>15%</td>
<td></td>
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<tr>
<td>2012</td>
<td>15%</td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td>15%</td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td>15%</td>
<td></td>
</tr>
</tbody>
</table>

**Target Year**
2014

**Goal**
Reduce water consumption per revenue dollar by 10% by the end of CY2015 (Baseline CY2012).

<table>
<thead>
<tr>
<th>Year</th>
<th>Target</th>
<th>Progress</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>10%</td>
<td></td>
</tr>
<tr>
<td>2010</td>
<td>10%</td>
<td></td>
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<tr>
<td>2011</td>
<td>10%</td>
<td></td>
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<td>2012</td>
<td>10%</td>
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<td>2013</td>
<td>10%</td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td>10%</td>
<td></td>
</tr>
</tbody>
</table>

**Target Year**
2015

**Goal**
Reduce waste generation per revenue dollar by 10% by the end of CY2015 (Baseline CY2012).

<table>
<thead>
<tr>
<th>Year</th>
<th>Target</th>
<th>Progress</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>10%</td>
<td></td>
</tr>
<tr>
<td>2010</td>
<td>10%</td>
<td></td>
</tr>
<tr>
<td>2011</td>
<td>10%</td>
<td></td>
</tr>
<tr>
<td>2012</td>
<td>10%</td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td>10%</td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td>10%</td>
<td></td>
</tr>
</tbody>
</table>

**Target Year**
2015

**Awards**

**Leadership in Energy & Environmental Design™ (LEED®) Certification**
Recipient: Flex Corporate Headquarters in San Jose, California.
Awarded by: Gold by Leadership in Energy & Environmental Design™ (LEED®).

**R2 Certification: Responsible Electronics Recycler**
Recipient: Flex Aguascalientes, Mexico.
Awarded by: Orion Registrar Inc., recycling certifying company.

**Key Performance Indicators (KPIs)**

**CO\(_2\) Emissions Intensity** (Tonnes/US $M of revenue)

<table>
<thead>
<tr>
<th>Year</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>571</td>
<td>50.04</td>
<td>47.70</td>
<td>46.17</td>
<td>50.06</td>
<td>42.53</td>
</tr>
</tbody>
</table>

**Water Withdrawn Intensity** (m\(^3\)/US $M of revenue)

<table>
<thead>
<tr>
<th>Year</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>575.45</td>
<td>455.95</td>
<td>488.98</td>
<td>515.91</td>
<td>555.19</td>
<td>493.60</td>
</tr>
</tbody>
</table>

**Waste Intensity** (Tonnes/US $M of revenue)

<table>
<thead>
<tr>
<th>Year</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>5.50</td>
<td>5.33</td>
<td>4.69</td>
<td>5.40</td>
<td>5.49</td>
<td>5.17</td>
</tr>
</tbody>
</table>
Environment

Our Environmental Management System scope extends far beyond ISO 14001:2004 (including Product Environmental Compliance and E-Waste management). Flex’s environmental management approach is intended to make all aspects of our business environmentally responsible and to avoid or mitigate negative impacts while helping our many customers do the same (see EHS policy). This management system is fully aligned to the CSER Global Program.

Environmental Standards Commitment

Environmental Permits and Reporting

All required environmental permits (e.g., discharge monitoring), approvals and registrations are obtained, maintained and kept current, and their operational and reporting requirements are being followed.

Pollution Prevention and Resource Reduction

The use of resources including water and energy, and generation of all waste types, are reduced at the source or by practices such as modifying production, maintenance and facility processes, materials substitution, conservation, recycling and re-using materials.

Hazardous Substances

Chemicals and other materials posing a hazard if released to the environment are identified and managed to ensure their safe handling, movement, storage, use, recycling or reuse and disposal.

Wastewater and Solid Waste

Identify, manage, reduce, and responsibly dispose of our recycle solid waste (non-hazardous). Wastewater generated from operations, industrial processes and sanitation facilities are characterized, monitored, controlled and treated as required prior to discharge or disposal.

Air Emissions

Air emissions of volatile organic chemicals, aerosols, corrosives, particulates, ozone depleting chemicals and combustion by-products generated from operations are characterized, routinely monitored, controlled and treated as required prior to discharge.

Materials Restrictions

Adherence to all applicable laws, regulations and customer requirements regarding prohibition or restriction of specific substances in products and manufacturing, including labeling for recycling and disposal.

Storm Water

Prevention of contamination of storm water runoff, Prevention of illegal discharges and spills from entering storm drains.

Energy Consumption and Greenhouse Gas Emissions

Energy consumption and greenhouse gas emissions are tracked and documented at the facility and corporate level. Energy reduction programs are in place to minimize GHG emissions.
Environmental Goals and KPIs
Flex is committed to reduce its CO₂ emissions, water consumption, and waste generation. In CY2009 we set up our first environmental goal and target and in CY2012 we added a couple of new ones. These environmental targets apply to manufacturing and logistics sites and are voluntary (not mandated by law):

- **Reduce CO₂ emissions** per revenue dollar by 15% by the end of CY2015 (Baseline CY2009).
- **Reduce water consumption** per revenue dollar by 10% by the end of CY2015 (Baseline CY2012).
- **Reduce waste generation** per revenue dollar by 10% by the end of CY2015 (Baseline CY2012).

Flex has a CSER metrics system that allows us to track, monitor and report environmental performance on a regular basis. We use this internal measurement system to evaluate the effectiveness of our environmental management approach.

Achievements 2014:

**CO₂ Emissions**

- 46% of our sites achieved reductions in total CO₂ emissions (representing more than 109,000 tonnes, comparing 2014 vs 2013).

**Water recycled/withdrawn:**

- Flex recycled 564,342 m³ of water during 2014 (57% for industrial use and 43% for irrigation purposes).

**Waste generation:**

- 83,417 tonnes of waste were recycled, an increase of 2.6% from 2013.
- 96% of Flex sites recycled their waste and 14% sent zero waste to landfill.
- Total amount of Composting increased by 67%.
- 60% of total waste was Recycled in 2014.
- 36% of our sites reduced their total waste amount (representing more than 9,500 tonnes).

**Highlights**

- Reduction in Scope 3 CO₂ emissions in comparison with 2013.
- The Recycled water increased by 48% in comparison with 2013 (representing more than 182,000 m³).

* Based on internal data collection and validation.
Global Citizenship Website 2015 Executive Summary

LEADERSHIP IN ENERGY & ENVIRONMENTAL DESIGN™ (LEED®) CERTIFICATION

On February 12, 2014, the Flex corporate headquarters in San Jose, California, was certified Gold by Leadership in Energy & Environmental Design™ (LEED®). LEED® is a program that provides third-party verification of “green,” environmentally conscious buildings. It is part of the United States Green Building Council® (USGBC®), which administers the LEED® efficiency-rating system.

Flex Althofen installed a photovoltaic (PV) energy generating system, which converts the sun’s energy directly into electricity. To obtain optimum efficiency, the photovoltaic panels needed to turn with the sun. Therefore a “tracking control” for PV-facilities with stepper motor was designed, built and installed by two students from the Technical Institute, Department of Electrical Engineering.

The “clean” electricity generated by this efficient photovoltaic system charges the site’s integrated batteries which can then recharge electronic devices. This power is used to recharge the electric lawn mower, operate a water pump for the water fountain in the entrance area and feed power into the electric filling station.

FLEX AUSTRIA GENERATES CLEAN ELECTRICITY

Key Performance Indicators

Direct and Indirect Greenhouse Gas (GHG) Emissions (Tonnes)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total CO2 Emissions</td>
<td>1,370,814</td>
<td>1,444,765</td>
<td>1,428,474</td>
<td>1,138,478</td>
<td>1,235,409</td>
<td>1,144,888</td>
<td>-16% ▼</td>
</tr>
<tr>
<td>Scope 1</td>
<td>118,550</td>
<td>82,876</td>
<td>44,354</td>
<td>43,118</td>
<td>63,936</td>
<td>37,178</td>
<td>-69% ▼</td>
</tr>
<tr>
<td>Scope 2</td>
<td>1,251,884</td>
<td>1,361,889</td>
<td>1,384,120</td>
<td>1,095,360</td>
<td>1,171,473</td>
<td>1,107,710</td>
<td>-12% ▼</td>
</tr>
<tr>
<td>Scope 3 – Business Travel</td>
<td>No Data</td>
<td>No Data</td>
<td>No Data</td>
<td>21,567</td>
<td>29,590</td>
<td>22,307</td>
<td>NA</td>
</tr>
</tbody>
</table>

Notes: 1) Flex defined 2009 as the base year because at that time a new energy reduction program was launched and its effectiveness started being measured. 2) Standards/Methodologies used: The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition). 3) Source of emission factors: International Energy Agency. Consolidation approach for emissions: Operational control. 4) Flex defined 2013 as the base year for Scope 3 emissions because in that year a new travel reduction program was launched and its effectiveness started being measured. 5) Business Travel CO2 emissions were provided by travel service providers. 6) Note: Large reduction in Scope 1 is due to reduction in Natural Gas, Gas LP, Diesel, and Gasoline consumption.

Greenhouse Gas (GHG) Emissions Intensity (Tonnes/US $M of revenue)

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total CO2 Emissions</td>
<td>57.11</td>
<td>52.04</td>
<td>47.70</td>
<td>46.17</td>
<td>50.06</td>
<td>42.53</td>
<td>-26% ▼</td>
</tr>
<tr>
<td>Scope 1</td>
<td>5.01</td>
<td>2.99</td>
<td>1.48</td>
<td>1.75</td>
<td>2.59</td>
<td>1.38</td>
<td>-72% ▼</td>
</tr>
<tr>
<td>Scope 2</td>
<td>52.70</td>
<td>49.05</td>
<td>46.22</td>
<td>44.42</td>
<td>47.47</td>
<td>41.15</td>
<td>-22% ▼</td>
</tr>
<tr>
<td>Scope 3 – Business Travel</td>
<td>No Data</td>
<td>No Data</td>
<td>No Data</td>
<td>0.88</td>
<td>1.20</td>
<td>0.83</td>
<td>NA</td>
</tr>
</tbody>
</table>

Due to business travel reduction program, achieved 25% reduction in Scope 3 CO2 emissions in comparison with CY2013.
Executive Summary

Environmental Goals and KPIs

Some 180 employees of Flex Guadalajara and their families joined various companies in the city to plant more than 3,000 trees at the “Bosque de la Primavera” or Forest of Springtime. The forest which is the largest nature reserve covering a total of 75,367 acres near the Guadalajara metropolitan area has been continuously under tremendous threat by human activities. The reforestation effort takes place every year in the month of August. This doubled as an engagement activity to foster teamwork and a strong sense of responsibility towards the environment among employees.

The Flex site in Corlu, Turkey has an environmentally friendly rainwater harvesting system. Rainwater is collected on the roof and transferred to a storage pool underground via pipes. Using motorized pumps, collected rainwater is used to flush toilets in the building. The rainwater is also used for gardening and the fire suppression system. Also, with the water purifying system, using rainwater as tap water is now possible.

Thanks to the rain harvesting system, the site saves an average of 40 percent on monthly water consumption. During autumn, winter and spring, savings increase especially due to plenty of rain and the purified rainwater use in the tap system.

Rainwater harvesting system

Notes: 1) Source of data: Water data come from water bills or invoices, other portion is based on water meter reading and a few data were estimated based on previous billing records. 2) Other water utilities: One site in China obtains this supply from a private party; this water is not potable.
### Environmental Goals and KPIs

#### Water Withdrawn Intensity (m³/US $M of revenue)

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Water Withdrawn</td>
<td>575.45</td>
<td>455.55</td>
<td>428.98</td>
<td>515.91</td>
<td>535.19</td>
<td>483.00</td>
<td>-4%</td>
</tr>
</tbody>
</table>

#### Recycled Water (m³)

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>No Data</td>
<td>No Data</td>
<td>No Data</td>
<td>480,117</td>
<td>381,534</td>
<td>564,342</td>
<td>15%</td>
</tr>
<tr>
<td>% of Recycled Water</td>
<td>No Data</td>
<td>No Data</td>
<td>No Data</td>
<td>3.98%</td>
<td>2.90%</td>
<td>4.25%</td>
<td>9%</td>
</tr>
</tbody>
</table>

#### Water Discharged (m³)

<table>
<thead>
<tr>
<th>Year</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>Variation 2014 vs 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>No Data</td>
<td>No Data</td>
<td>No Data</td>
<td>No Data</td>
<td>9,577,278</td>
<td>9,441,880</td>
<td>-1%</td>
</tr>
</tbody>
</table>

#### Waste Intensity (Tonnes/US $M of revenue)

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Non Hazardous Waste</td>
<td>4.33</td>
<td>4.14</td>
<td>3.81</td>
<td>4.34</td>
<td>4.26</td>
<td>3.98</td>
<td>-9%</td>
</tr>
<tr>
<td>Hazardous Waste</td>
<td>1.17</td>
<td>1.31</td>
<td>0.88</td>
<td>1.30</td>
<td>1.23</td>
<td>1.22</td>
<td>15%</td>
</tr>
<tr>
<td>Total Waste</td>
<td>5.50</td>
<td>5.33</td>
<td>4.69</td>
<td>5.40</td>
<td>5.49</td>
<td>5.17</td>
<td>4%</td>
</tr>
</tbody>
</table>

**Highlights**

Increased recycled water by 48% in comparison with 2013 (representing more than 182,000m³).
R2 Certification is improving electronics recycling practices around the world by ensuring accountability and adherence to the highest industry standards for data security, and the protection of workers and the environment. R2 Certified recyclers have put into practice the rigorous requirements of the R2 Standard and undergo regular inspections to prove it.

As part of our Corporate, Social and Environmental Responsibility strategy, the Flex site in Aguascalientes, Mexico was recently certified as a “Responsible Electronics Recycler.” In July, Orion Registrar, Inc., a recycling certifying company, verified that the practices of the Aguascalientes site’s recycling center of electronic components and remanufacturing processes complied with requirements established by R2.

---

**Total Weight of Waste by Type and Disposal Method (Tonnes)**

<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>Non Hazardous Waste</td>
<td>102,886</td>
<td>114,874</td>
<td>114,117</td>
<td>107,110</td>
<td>105,146</td>
<td>108,534</td>
<td>-1% ▼</td>
</tr>
<tr>
<td>Hazardous Waste</td>
<td>27,788</td>
<td>33,045</td>
<td>26,453</td>
<td>26,061</td>
<td>30,250</td>
<td>32,737</td>
<td>26% ▲</td>
</tr>
<tr>
<td>Total Waste</td>
<td>130,674</td>
<td>148,019</td>
<td>140,570</td>
<td>133,171</td>
<td>135,396</td>
<td>141,271</td>
<td>5% ▲</td>
</tr>
<tr>
<td>Composting</td>
<td>846</td>
<td>1,781</td>
<td>2,975</td>
<td>2,937</td>
<td>2,937</td>
<td>2,937</td>
<td>252% ▲</td>
</tr>
<tr>
<td>Reuse</td>
<td>3,328</td>
<td>3,182</td>
<td>1,882</td>
<td>1,882</td>
<td>1,882</td>
<td>1,882</td>
<td>43% ▼</td>
</tr>
<tr>
<td>Recycling</td>
<td>76,942</td>
<td>81,312</td>
<td>82,417</td>
<td>82,417</td>
<td>82,417</td>
<td>82,417</td>
<td>8% ▲</td>
</tr>
<tr>
<td>Recovery</td>
<td>2,574</td>
<td>22,055</td>
<td>22,388</td>
<td>22,388</td>
<td>22,388</td>
<td>22,388</td>
<td>-24% ▼</td>
</tr>
<tr>
<td>Incineration - Or use as Fuel</td>
<td>7,251</td>
<td>12,405</td>
<td>13,984</td>
<td>13,984</td>
<td>13,984</td>
<td>13,984</td>
<td>93% ▲</td>
</tr>
<tr>
<td>Landfill</td>
<td>12,948</td>
<td>12,948</td>
<td>12,338</td>
<td>12,338</td>
<td>12,338</td>
<td>12,338</td>
<td>-1% ▼</td>
</tr>
<tr>
<td>Deep well injection</td>
<td>20</td>
<td>17</td>
<td>3,67</td>
<td>3,67</td>
<td>3,67</td>
<td>3,67</td>
<td>-82% ▼</td>
</tr>
<tr>
<td>On-site storage</td>
<td>203</td>
<td>95</td>
<td>205,78</td>
<td>205,78</td>
<td>205,78</td>
<td>205,78</td>
<td>1% ▲</td>
</tr>
<tr>
<td>Other</td>
<td>2,554</td>
<td>1,691</td>
<td>2,058</td>
<td>2,058</td>
<td>2,058</td>
<td>2,058</td>
<td>-19% ▼</td>
</tr>
</tbody>
</table>

Notes: 1) Most of the disposal methods data were provided by the waste disposal contractors unless the waste was disposed directly by the reporting organization or otherwise confirmed. 2) Other disposal methods include mulching, food waste used to feed animals or a combination of methods where we are unable to separate per treatment method.

**Highlights**

- 96% of Flex sites recycled their waste and sent zero waste to landfill.
- 14% of total waste in 2014.
- 60% Recycled of total waste in 2014.
COMMUNITY PARTNERSHIP

We partner with the communities in which we operate, providing financial aid, scholarships, disaster relief, and volunteer efforts to improve education, health, and housing.
Global Citizenship Report 2015

Community Partnership
We believe that global citizenship begins at the local level. Using our time, technology, expertise and resources, we strive to effect change in the communities in which we operate globally. We focus on helping nonprofits provide underprivileged students access to education, implement programs that benefit children and improve the lives of people in developing regions of the world.

Key Highlights
- Implemented local community engagement activities at 86% of our manufacturing and logistics sites in 2014.
- Logged 55,871 volunteer hours globally, equivalent to an investment of $1.2 million.
- Awarded 38 grants globally through the Flex Foundation.
- Focused 65% of our community involvement activities in 2014 on Education, Health and Well-Being.

Goals & Progress
- **Goal**: Increase the number of volunteers to 15% of the total employees population.
- **Target Year** 2016
- **Target** 15%
- **Progress** 67%
- **Percentage of operations with implemented local community engagement activities**
  - 2013: 70%
  - 2014: 86%
- **Total of local community engagement activities**
  - 2013: 475
  - 2014: 528
- **Total of local community engagement activities that supported vulnerable groups**
  - 2013: 276
  - 2014: 323

Awards
- **Excellence in Education**
  - **Recipient**: Flex Tczew.
  - **Awarded by**: Ministry of Economy in Tczew.
- **Local Community Support Award**
  - **Recipient**: Flex Tczew.
  - **Awarded by**: President of Tczew.

Key Performance Indicators (KPIs)
- **Total of volunteers**
  - 2013: No Data
  - 2014: 15,966
- **Total of volunteer hours**
  - 2013: No Data
  - 2014: 55,871

Awards
- **Therapy**
  - **24** Therapy workshops to 24 hearing impaired students in Aguascalientes, Mexico.
- **Medical Equipment**
  - **100,000** Medical equipment enabling 100,000 school children to receive hearing screening in Timisoara, Romania.
- **Training**
  - **72** Training for 72 teachers and 2,663 students to use computers in six schools.
- **Food bank**
  - **50,000** A truck to a food bank in Tczew, Poland enabling 50,000 people access to food.
- **Students**
  - **1,287** A head start in Algebra to 1,287 underprivileged students in Silicon Valley.
Community Partnership

At Flex, Community Partnership is a key component of the Flex Pledge. We believe that global citizenship begins at the local level. Using our time, technology, expertise and resources, we strive to effect change in the communities in which we operate globally. We focus on helping nonprofits provide underprivileged students access to education, implement programs that benefit children and improve the lives of people in developing regions of the world.

Percentage of Total Community Partnership Activities

- **Health & Well Being**: 42%
- **Education**: 24%
- **Poverty**: 10%
- **Hunger**: 8%
- **Disaster Relief**: 6%
- **World Preservation**: 4%
- **Housing**: 2%
- **Sports**: 2%
- **Arts & Culture**: 1%
- **Migrant Workers**: 1%

Community Partnership Activities by Area of Focus per Region

- **AMERICAS**: Total 155
  - **Health & well being**: 56
  - **Education**: 08
  - **Poverty**: 02
  - **Arts & Culture**: 02
  - **Hunger**: 08
  - **Disaster Relief**: 06
  - **World Preservation**: 06
  - **Housing**: 21
  - **Sports**: 08
  - **Other**: 08
  - **Migrant Workers**: 07

- **ASIA**: Total 184
  - **Health & well being**: 114
  - **Education**: 20
  - **Poverty**: 02
  - **Arts & Culture**: 04
  - **Hunger**: 01
  - **Disaster Relief**: 02
  - **World Preservation**: 13
  - **Housing**: 07
  - **Sports**: 04
  - **Other**: 04
  - **Migrant Workers**: 07

Other: a combination of activities where we are unable to separate per type.

Highlights

- A head start in Algebra to underprivileged students in Silicon Valley.
- Medical equipment enabling school children to receive hearing screening in Timisoara, Romania.
### Executive Summary

The Flex Foundation's Community Involvement in 2014 focused on several key areas:

- **Education**
- **Human Rights**
- **Programs for Children**
- **Tech@Campus Program**

#### Causes Supported in 2014

<table>
<thead>
<tr>
<th>Activities</th>
<th>Americas</th>
<th>Asia</th>
<th>EMEA</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Children and Youth</td>
<td>76</td>
<td>54</td>
<td>84</td>
<td>214</td>
</tr>
<tr>
<td>Elderly</td>
<td>17</td>
<td>17</td>
<td>6</td>
<td>40</td>
</tr>
<tr>
<td>People with Disabilities</td>
<td>9</td>
<td>4</td>
<td>18</td>
<td>31</td>
</tr>
<tr>
<td>Excombatants</td>
<td>3</td>
<td>4</td>
<td>2</td>
<td>5</td>
</tr>
<tr>
<td>Internally Displaced</td>
<td>3</td>
<td>4</td>
<td>2</td>
<td>7</td>
</tr>
<tr>
<td>Refugees or Returning Refugees</td>
<td>3</td>
<td>4</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>HIV/AIDS-Affected Households</td>
<td>8</td>
<td></td>
<td></td>
<td>8</td>
</tr>
<tr>
<td>Indigenous Peoples</td>
<td></td>
<td></td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Ethnics Minorities</td>
<td>1</td>
<td>6</td>
<td></td>
<td>7</td>
</tr>
<tr>
<td>Other (support for the sick and poor)</td>
<td>1</td>
<td>2</td>
<td>4</td>
<td>7</td>
</tr>
</tbody>
</table>

**Total Activities:**
- Americas: 110
- Asia: 98
- EMEA: 115
- **Total:** 323

### Highlights

- **Training for teachers and 2,653 students to use computers in six schools.**
- **Therapy workshops to 24 hearing impaired students in Aguascalientes, Mexico.**
Executive Summary

The Flex Foundation

Community Involvement

Causes Supported in 2014

Education

Human Rights

Programs for Children

Tech@Campus Program

The Flex Foundation

The Flex Foundation is the grant making arm of the company and operates as a private foundation. Established in March 2002, the Foundation invests globally and serves as a catalyst for positive change in communities around the world, providing assistance in the areas of natural disaster relief, human rights and educational programs. Emphasis is placed on programs that serve the needs of people in communities where Flex has a presence.

Grant proposals must meet a set of criteria determined by the Foundation, and comply with Flex’s anti-discrimination and anticorruption policies and the U.S. Patriot Act. Projects are selected by regional grant officers and approved by a grant review committee. In 2014, the Foundation awarded 38 grants globally.
Global Citizenship Report 2015

Community Involvement
Flex employs talented people who are passionate about what they do. They have a tenacious commitment to continuous improvement both at work and in their local communities. Flex encourages employees to give back to the communities in which they live and work, by giving their time, talent and resources to local nonprofits.

In 2014, 86% of the manufacturing and logistics sites participated in local community engagement activities and 15,966 Flex employees (representing 10 percent of the total number of employees) logged 55,871 volunteer hours globally, equivalent to an investment of $1.2 million. Community Involvement committees at local sites engaged in a total of 528 volunteer activities, including blood drives, food and clothing drives, educational programs and student facility tours, environmental awareness programs and tree planting projects. Additionally, committees planned fundraising campaigns for disaster relief and to raise awareness for various diseases like cancer, diabetes and heart disease.

Causes Supported in 2014

- Education
- Human Rights
- Programs for Children
- Tech@Campus Program

Education
Knowledge is power, and it enables endless opportunities. However, not everyone has access to a quality education. Since the children of today are our future leaders, Flex believes education is one of the most important investments we can make.

Inspiration to Pursue STEM Education
We live in a technological age. Recently, MSN.com listed the 10 Best Jobs For 2015 - seven of those required backgrounds in STEM fields: science, technology, education and math. In Silicon Valley, California, only 51 percent of students in Santa Clara County meet the entrance requirements for four-year public universities in California (Silicon Valley Education Foundation grant report, 10/31/14).

In 2014 Flex continued its support of the Silicon Valley Education Foundation (SVEF), a nonprofit organization that drives scholastic achievement in the areas of math and science by combining resources and partnerships to provide innovative academic programs.

TCZEW SITE HONORED FOR WORK IN VOCATIONAL EDUCATION

The Flex site in Tczew, Poland was recognized by Miroslaw Poblocki, President of Tczew by CSR (Corporate Social Responsibility) in Tczew for its ongoing support of the local community. Recognitions are given to companies distinguishing themselves in the local labor market by size, potential or CSR.

And since Flex Tczew uses the latest equipment and manufactures advanced, complex products, students gain an advantage in seeking employment.

LOCAL COMMUNITY SUPPORT AWARD

The Flex site in Tczew, Poland was recognized by Mirosław Poblocki, President of Tczew by CSR (Corporate Social Responsibility) in Tczew for its ongoing support of the local community. Recognitions are given to companies distinguishing themselves in the local labor market by size, potential or CSR.
A grant from the Flex Foundation funded three of SVEF's Elevate Math classes reaching 90 students. Of the 928 Silicon Valley students served, 84 percent successfully completed the program, showing a percent increase in subject proficiency.

The grant from the Foundation also included support for SVEF's Women in STEM Education Forum which was held on June 30, 2014. The forum highlighted the small percentage of women in STEM fields and helped encourage girls to proactively seek STEM careers. A panel of professionals that included a Flex executive, spoke to the 200 attendees about their education, their career paths and the challenges they faced along the way.

Hands-on Learning for Underserved Students

On November 12, 2014, five Flex sites across the United States participated in a ‘Flex STEM/Tech Day’. Partnering with local nonprofits, Flex facilities in Milpitas, California; Austin and Plano, Texas; Memphis, Tennessee and Charlotte, North Carolina, hosted a total of 185 middle school and high school students for a day of hands-on learning about careers in science, technology, engineering and math (STEM).

Each site offered similar programs consisting of a brief overview of Flex, a plant tour and panel discussion. A group of Flex engineering employees talked to students about their jobs, what skills they use, their educational backgrounds and their career paths. Students were able to ask questions of the panel and were treated to Flex branded giveaways and group photos. The Customer Innovation Center in Milpitas, California, welcomed 60 seventh grade students from the 49ers STEM Leadership Institute. They received a tour of Lab IX, the Multek Interconnect Technology Center, and the Failure Analysis Lab. Students also had the opportunity to program 'Baxter', the resident robot in the Advanced Engineering and Robotics Lab.

The Plano site hosted 30 students from two local high schools via the Plano ISD Education Foundation, who recently received a grant from the Flex Foundation. Students at Plano’s STEM/Tech Day learned about printed circuit boards, surface mount devices, plated through-hole technology, electrostatic discharge and soldering.

According to our nonprofit partners, the day exceeded their expectations in every way (49ers STEM Leadership Institute). The students loved the experience and were forever grateful for the learning and education they received (Teach For America, Charlotte). The students were impressed by the experience and was a wonderful reminder to the students about the possibilities available to them as they begin choosing college and career paths (Plano Academy High School).
Students in Chennai received computer and internet training during the American India Foundation’s Digital Equalizer.

**Computer Education to Students in Chennai**

Despite economic growth, India faces challenges in providing quality education. Less than 15 percent of the one million public schools in India have IT infrastructure or provide computer-based education (American India Foundation grant report, 12/22/14). The American India Foundation’s (AIF) Digital Equalizer Program (DE) strives to bridge this digital divide by providing underprivileged public schools with access to technology and by training teachers to use it to make learning more interesting to students.

In 2014, AIF implemented the DE program in six public schools in Chennai, India, thanks to a grant from the Flex Foundation. Seventy-two teachers and 2,653 students in grade six and above have received computer and internet training through AIF’s DE program. The teachers not only use the technology to teach their lessons, but encourage their students to use the computer for projects and assignments.

Additionally, AIF conducted science camps in three of the schools and installed “Read to Me” software in order to enhance students’ English proficiency. In association with Computer Age Management Services (CAMS), AIF conducted financial literacy classes for students at all six schools and prepared them to take the National Financial Literacy Assessment Test (NFLAT) - 350 students from these schools appeared for the test.

One of the goals of the DE program was to connect the teachers through a common platform so they could share ideas. Consequently, the teachers were open-minded to networking and took advantage of the new technology. As a result of the DE program, students showed vast improvement in learning and comprehension skills. They made short films as part of a DE contest and PowerPoint presentations based on content they learned. They also improved their proficiency in reading and speaking English.
Human Rights

Care Centers and Camps for Children of Migrant Workers

The separation that occurs when migrant workers in Central China’s Sichuan Province leave their homes and families to find better paying jobs in companies in coastal areas such as Zhuhai or Shanghai, can greatly affect both parents and children. In order to help our workers deal with this issue, the Flex Foundation awarded a grant to the Chinese Relief and Development Foundation (CRDF) to establish a Care Center in Fengyi Village, Nanjiang County, Ba Zhong City where the migrant workers’ children can receive an education and have access to counseling.

CRDF is a nonprofit that is dedicated to empowering workers and helping the rural and urban areas to develop together. Funding from the Foundation will enable the CRDF to prepare children for the future by learning valuable skills such as teamwork. The Care Center is an important facility for the parents, as they can have peace of mind knowing that not only is the Center taking care of their children, but it is providing them access to education. Through counseling, the children will be able to better cope with the separation from their parents. The Care Center, funded by the Foundation, is scheduled to open in September 2015 and will benefit a minimum of 1,000 children.

The Flex Foundation also awarded a grant to XinQing Volunteer Association, a nonprofit that provides services to related companies and their employees through a volunteer association platform. They support underprivileged families and students living in the XinQing community by integrating the resources of companies in XinQing Industrial Park, the community and the government. The grant will enable XinQing to train their volunteer workers in social skills, and will help fund a camp for migrant workers and their children during the summer and winter holidays.

Honoring Those Who Help Humanity Through Innovation

In November 2014, Flex continued its support of The Tech Museum of Innovation in San Jose, California, by sponsoring the Economic Development Award at its signature program, The Tech Awards. As an international program, The Tech Awards honors innovators (individuals, nonprofit and for profit organizations) who are using technology to benefit humanity. Flex honored two laureates – myAgro and Sanergy.

The final award was presented to myAgro, a company that established a mobile platform for more than 5,000 rural subsistence farmers in West Africa to save money for fertilizer and seed for the next planting season. Because of myAgro, small-scale farmers can now move out of poverty by growing enough food for their families. Combined with technical farming training, myAgro’s mobile layaway system has resulted in remarkable gains for the farmers of Senegal and Mali. Second-year farmers saved an additional 27 percent and farmed 12 percent more land than the year before. As myAgro scales throughout West Africa grow, more farmers will be able to save and make investments in their fields and increase their security.

Sanergy offers a systems-based solution to the lack of clean affordable sanitation, a challenge facing 2.5 billion people in the world today. By developing a community-based ecosystem that repurposes waste into valuable by-products, Sanergy has created both a cleaner environment and supplied much-needed fertilizer to the communities it serves.
Hearing Screening Program for Timis County Children

Ear infections are very common in young children, and left undiagnosed might become chronic or progress towards hearing impairment. Viruses like mumps, rubella, chicken pox, and meningitis can also contribute to hearing loss (U.S. Department of Health & Human Services). In 2014, the Flex Foundation awarded a grant to the Romanian Deaf Association to fund universal hearing screening for approximately 113,973 pre-school and school-aged children in Timis County, Romania.

The Romanian Deaf Association is a non-governmental, non-profit organization, aimed to promote and protect the rights of people who are hearing impaired. Funding went toward the purchase of the screening equipment which will be used by medical specialists from the Turcanu Children’s Hospital. Screenings began in Timisoara in April 2015 and will be extended to the entire Timis County.

Transportation for Abandoned Children

The Flex Foundation awarded a grant to Lar Casa Bela (Home, Sweet Home) in Sorocaba, Brazil to fund the purchase of household appliances and a vehicle to transport the children to and from the doctor, counseling and court appointments. Lar Casa Bela provides care to abandoned children and adolescents who are at risk, until they can return to their families, or be put into foster care. Lar Casa Bela provides a family-type atmosphere for the children and promotes habits and attitudes that will enable the children to adapt to any situation. The association aims to inspire, motivate and involve the children in educational, cultural, artistic and sports activities.

Tech@Campus Program

Tech@Campus is a university collaboration program developed to create industry academia relationships with the goal of developing emerging talent through novel high technology electronics curricula. The program keeps students updated with state-of-the-art technologies through interactive channels such as elective disciplines, workshops, seminars, industry visits, case studies, projects and internship programs. Participating universities are chosen based on proximity to our sites, academic reputation, Flex ability to attract talent, and expertise in specific areas such as microelectronics, CSER and energy.

Since 2010, Flex and Tsinghua University in Haidian, China, have collaborated to provide CSR curriculum at the university’s School of Economics and Management (SEM). In June 2014, the Flex site in Zhuhai hosted Tsinghua University students for a three-day visit in an effort to showcase how CSER is effectively executed at a large organization.

During this time, students met with the site’s community involvement committee to learn how Flex engages NGO partners to help meet the social and emotional needs of migrant talent, and visited NGO, the Center for Social Work Facilitators (CSWF) in Zhuhai. Students had the opportunity to learn more about effective people programs in an interactive classroom setting via forums. Leadership and Development training taught students how the company attracts, retains and engages employees, and in the Frontline Leadership Program (FLP), they learned how line leaders are trained. The group of students left Flex with a deeper understanding of our company.
Supply Chain Sustainability Program

We are transforming our value chain to enable organizations in all industries to move toward responsible sourcing.
As a leading global supply chain solutions companies, Flex is strongly committed to trading fairly and ensuring everyone in our supply chain is treated with honesty, fairness and respect. Ethical sourcing and responsible supply chain management are central to all our procurement decisions at Flex and we work very closely with our approved suppliers, encouraging them to support our key CSER initiatives through adoption and implementation of sustainable business practices.

As a founding member of the Electronic Industry Citizenship Coalition (EICC®) and as part of the Flex Pledge, we regularly conduct assessments and collaboratively implement corrective actions across our approved supply chain.

Flex is committed to constantly improve our supply chain assessment tools and capabilities, effectively manage new requirements and prove to customers that our supply chain management is the best in the industry. The global social and environmental challenges of 2015 are a strong reminder we are on the right path and remain committed to continuous improvement in our business processes, increased efficiency and upholding and driving our strong CSER initiatives throughout our supply chain management.

Tom Linton,  
Chief Procurement & Supply Chain Officer.
Flex is committed to continuously monitoring and driving compliance to Flex’s CSER requirements throughout its entire supply chain. These CSER requirements are included in Flex CSER training, which aligns with EICC® requirements and addresses labor practice issues such as: freely chosen employment, humane treatment, working hours, forced labor, wages and benefits, human rights issues such as child labor, discrimination and freedom of association, health and safety, environmental and other issues, including conflict minerals and ethical conduct.

**Key Highlights**
- Trained more than 1469 supplier personnel on CSER (EICC®) awareness and requirements
- Recognized 68 suppliers in the 2014 Flex Strategic Supplier Award annual event
- Provided more than 150 customer-specific rollups of validated supplier templates (Conflict Minerals Program)
- Completed CSER assessment for 314 Flex controlled suppliers
- Developed and certified 25 supplier CSER auditors from manufacturing sites
- On May 29, 2015 Flex filed our second Form SD and Conflict Mineral Report with the U.S. Securities and Exchange Commission (SEC)
- Recognized 68 suppliers in the 2014 Flex Strategic Supplier Award annual event

**Goals & Progress**

**Goal**
Duplicating supplier CSER training at manufacturing sites and developing more auditors.

<table>
<thead>
<tr>
<th>Goal</th>
<th>Target</th>
<th>Target Year</th>
<th>Progress</th>
</tr>
</thead>
<tbody>
<tr>
<td>100%</td>
<td>2014</td>
<td>NA</td>
<td>100%</td>
</tr>
</tbody>
</table>

**Recognition**

Flex listed as one of the Best Supply Chains in Asia Pacific*

Recognized by: Gartner®

Sustainability Supply Chain Program

We require our suppliers to have a management system in place to ensure continuity and effectiveness of CSER activities and to mitigate potential risks. Our aim is to leverage the magnitude of our supply chain to make a positive impact in our industry.

Supplier CSER Goals Completion Status for 2014

As part of our continual improvement plan we implemented several initiatives and achieved very good results:

**Goal A**
Increasing supplier CSER training at manufacturing sites and developing more auditors.

**Goal B**
Including CSER requirements in our standard Global Business Agreement template to set the expectations of doing business with Flex.

**Goal C**
Training and promoting the CSER Initiative for new local/domestic suppliers.

**Goal D**
Providing updated customerspecific Conflict Minerals information to assist with our customers’ reporting and compliance obligations.

**Goal E**
Expanding due diligence assessment to cover more suppliers.

Completed CSER assessment for 314 Flex controlled suppliers.

Developed and certified supplier CSER auditors from manufacturing sites.

In September, 2014, Gartner® published its annual list of leading supply chains in Asia Pacific with ten regional companies making the list. Flex was listed as one of the top ten Supply Chains in Asia Pacific.*

---

Supplier Audit Statistics

In 2014, Flex assessed 314 suppliers. These included 50 initial physical audits and 44 follow-up audits of supplier facilities. Based on the physical audit results, the following table lists the top-five SAQ questions that suppliers failed to answer in a satisfactory manner:

<table>
<thead>
<tr>
<th>QUESTION</th>
<th>CATEGORY</th>
<th>SAQ DETAILS</th>
</tr>
</thead>
<tbody>
<tr>
<td>CR14</td>
<td>Labor</td>
<td>Workers are provided with at least one (1) day off every seven days.</td>
</tr>
<tr>
<td>CR48</td>
<td>Labor and Ethics Management System</td>
<td>Communication about labor and ethics policy and procedures is done to suppliers.</td>
</tr>
<tr>
<td>CR58h</td>
<td>Health and Safety</td>
<td>For fire factors, facility identifies and eliminates or puts in place control measures to mitigate the risks or compliance with legal requirements, such as obtaining fire certificates from local fire department, providing adequate emergency exits, providing and maintaining fire protection equipment properly, etc. Facility has an employee training program on the response to any injury or illness found.</td>
</tr>
<tr>
<td>CR63</td>
<td>Health and Safety</td>
<td>Facility has implemented a process to identify its environmental, health &amp; safety risks and implemented appropriate physical and procedural controls to minimize the identified risks and ensure regulatory compliance.</td>
</tr>
<tr>
<td>CR72</td>
<td>Health and Safety Management System</td>
<td>Facility has implemented a process to identify its environmental, health &amp; safety risks and implemented appropriate physical and procedural controls to minimize the identified risks and ensure regulatory compliance.</td>
</tr>
</tbody>
</table>

These findings show the failure to have one day rest every seven days and management issues are most common issues in China. Many suppliers do not communicate CSER requirements to their suppliers, and many suppliers don’t have a valid process for risk identification and control. Flex wishes to see them develop and maintain a robust management system to prevent potential issues from arising.

Based upon the physical audits of suppliers that were conducted, the largest number of findings stem from the labor section, while the second-largest number relates to health & safety section.

2014 CSER Findings by category

- **Labor**: 28.54%
- **Health & Safety**: 21.78%
- **Environment**: 15.24%
- **Ethics**: 05.79%
- **EHS Management System**: 19.96%
Percentage of New Suppliers Screened Using Environmental, Human Rights, Labor Practices and Impact on Society Criteria

In 2014, Flex expanded our supplier screening program to include all new Flex-controlled suppliers. In previous years, our screening was focused on new suppliers to our Preferred Supplier List.

Flex screens new suppliers according to our CSER qualification process which includes: supplier data collection, risk assessment (based on collected data), and physical audits. In 2014, 105 new suppliers were subject to CSER screening, 43.77% of them submitted requested data, and the remainder were in the process of being assessed. Risk assessments were conducted for these suppliers and onsite audits arranged for 13% which were identified as high-risk suppliers through the risk assessment.

% of New Suppliers Screened

| 2014 | 43.8% |

<table>
<thead>
<tr>
<th>Categories</th>
<th>Impact on Society</th>
<th>Human Rights</th>
<th>Labor Practices</th>
<th>Environmental Protection (non-product)</th>
</tr>
</thead>
</table>

- Child Labor
- Discrimination
- Freedom of Association and Collective Bargaining
- Forced or Compulsory Labor

Child Labor Findings

<table>
<thead>
<tr>
<th>% Suppliers with Potential Issues</th>
</tr>
</thead>
<tbody>
<tr>
<td>Child Labor</td>
</tr>
<tr>
<td>a) A minor under 16 years of age was employed in the facility. (16 years old is the minimum age to be employed in China. It’s stipulated in China Labor Law).</td>
</tr>
<tr>
<td>b) Young workers exposed to hazardous substances that were likely to jeopardize their health.</td>
</tr>
<tr>
<td>c) No juvenile worker protection policy / procedure in place.</td>
</tr>
</tbody>
</table>

Corrective Action

| a) Business with supplier was immediately suspended until the follow-up audit verified that permanent corrective actions have been implemented. |
| b) The young workers were reassigned to perform tasks that would not jeopardize their health. |
| c) The Young Workers Protection Policy and Procedure was implemented into the workplace. |

<table>
<thead>
<tr>
<th>Discrimination</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) A policy that regulates age discrimination in recruitment and hiring.</td>
</tr>
<tr>
<td>b) No juvenile worker protection policy / procedure in place.</td>
</tr>
</tbody>
</table>

Corrective Action

| a) Age restrictions were abolished and a non-discrimination policy and procedure was established. |

The tables below show the corrective action taken for potential issues identified. All corrective actions were followed up and verified by Flex through on-site audits.

Human Rights Major Findings 2014

<table>
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</tr>
</tbody>
</table>

Corrective Action

| a) Age restrictions were abolished and a non-discrimination policy and procedure was established. |

The following tables show the corrective action taken for the human rights criteria. All corrective actions were followed up and verified by Flex through on-site audits.

<table>
<thead>
<tr>
<th>Categories</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Child Labor</td>
<td>43.8%</td>
<td>44.4%</td>
</tr>
<tr>
<td>Discrimination</td>
<td>0.31%</td>
<td>0.31%</td>
</tr>
</tbody>
</table>

To monitor the status of the suppliers' improvement, we started to collect working hours data from suppliers every month since early 2013.

Records indicating excessive working hours are highlighted and suppliers are required to provide reasoning and corrective action to ensure that they can improve in the subsequent months. With this approach, we have been successful with all participating suppliers in reducing the level of excessive working hours.

71% of suppliers are compliant with EICC® requirement.

We monitor suppliers' progress and verify the data at suppliers' facilities after receiving 12 monthly reports. For suppliers had report workers' working hours for more than 12 months, verification audit was arranged to verify if suppliers had limited working hours within EICC® requirement. It was found that 71% of suppliers are compliant with EICC® requirement.

If a supplier fails to meet monthly reporting requirements or fails to achieve the committed plan, it will be graded as an unsatisfactory supplier. Flex reviews the risk of the supplier and makes appropriate decisions, which include possible termination of the business relationship.
Global Citizenship Report 2015

Human Rights Major Findings 2014

% Suppliers with Potential Issues

<table>
<thead>
<tr>
<th>Category</th>
<th>Findings</th>
<th>Corrective Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>Discrimination Freedom of Association and Collective Bargaining</td>
<td>% Suppliers with Potential Issues</td>
<td>0%</td>
</tr>
<tr>
<td>Forced or Compulsory Labor</td>
<td>a) Workplace / dormitory with only one emergency exit available (or one of the two exits were blocked / locked).</td>
<td>a) An additional emergency exit was added where required and emergency exits have been kept unlocked and unblocked.</td>
</tr>
<tr>
<td></td>
<td>b) No fire certificate from local fire safety department was available.</td>
<td>b) A fire certification from the local authorities has been obtained.</td>
</tr>
<tr>
<td>Incidents (Abuse, Harassment)</td>
<td>% Suppliers with Potential Issues</td>
<td>0%</td>
</tr>
<tr>
<td>Wages and Compensation</td>
<td>a) Local minimum wage was not guaranteed.</td>
<td>a) A minimum wage guarantee and paid to workers per legal requirements.</td>
</tr>
<tr>
<td></td>
<td>a &amp; b) Excessive working hours were reduced and workers were guaranteed a weekly rest day.</td>
<td>a &amp; b) Excessive working hours were reduced and workers were guaranteed a weekly rest day.</td>
</tr>
<tr>
<td>Working Hours</td>
<td>% Suppliers with Potential Issues</td>
<td>8.6%</td>
</tr>
<tr>
<td></td>
<td>a) Average weekly working hours in the last 12 months exceeded 60 hours.</td>
<td>a) &amp; b) Excessive working hours were reduced and workers were guaranteed a weekly rest day.</td>
</tr>
</tbody>
</table>

Labor Practices Major Findings 2014

% Suppliers with Potential Issues

<table>
<thead>
<tr>
<th>Category</th>
<th>Findings</th>
<th>Corrective Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employment</td>
<td>% Suppliers with Potential Issues</td>
<td>0%</td>
</tr>
<tr>
<td>Health and Safety</td>
<td>a) Workplace / dormitory with only one emergency exit available (or one of the two exits were blocked / locked).</td>
<td>a) An additional emergency exit was added where required and emergency exits have been kept unlocked and unblocked.</td>
</tr>
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<tr>
<td>Working Hours</td>
<td>% Suppliers with Potential Issues</td>
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<tr>
<td></td>
<td>a) Average weekly working hours in the last 12 months exceeded 60 hours.</td>
<td>a) &amp; b) Excessive working hours were reduced and workers were guaranteed a weekly rest day.</td>
</tr>
</tbody>
</table>

Supplier Environmental Protection Major Findings 2014

% Suppliers with Potential Issues

<table>
<thead>
<tr>
<th>Category</th>
<th>Findings</th>
<th>Corrective Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>Environmental Protection Practices</td>
<td>% Suppliers with Potential Issues</td>
<td>7.32%</td>
</tr>
<tr>
<td>Findings</td>
<td>a) Hazardous waste disposal records were not maintained.</td>
<td>a) Suppliers now maintain hazardous waste disposal records.</td>
</tr>
<tr>
<td></td>
<td>b) Hazardous waste was not collected, transported and disposed by a licensed vendor.</td>
<td>b) Suppliers have contracted a licensed vendor to handle hazardous waste.</td>
</tr>
<tr>
<td></td>
<td>c) Waste water discharge permits were not available.</td>
<td>c) Suppliers applied for and received a waste discharge permit from local authorities.</td>
</tr>
<tr>
<td></td>
<td>d) Waste water or airborne emissions or noise were discharged without annual monitoring.</td>
<td>d) Suppliers have used a qualified third party to monitor the waste water or airborne emissions annually to ensure the discharged wastes are within the legal discharge limits.</td>
</tr>
</tbody>
</table>

Corrective Action

- a) Suppliers now maintain hazardous waste disposal records.
- b) Suppliers have contracted a licensed vendor to handle hazardous waste.
- c) Suppliers applied for and received a waste discharge permit from local authorities.
- d) Suppliers have used a qualified third party to monitor the waste water or airborne emissions annually to ensure the discharged wastes are within the legal discharge limits.
Global Citizenship Report 2015

CSER and Supply Chain Good Practices

Flex values each supplier and aims to establish long-term partnership with them, so we put great efforts into ensuring suppliers are collaborative and capable of meeting Flex CSER requirements.

FLEX STRATEGIC SUPPLIER AWARDS 2014

The 2014 Strategic Supplier Awards were held in June, 2014. The Awards recognize outstanding performance, strategic value-add, excellent service and innovation by suppliers that exemplify what it means to be a strategic supplier at Flex. 68 out of 14,000 active suppliers were selected.

Suppliers selected for the awards were nominated by employees of Flex in various business groups as well as Flex procurement professionals. Awards were given to strategic suppliers during the Flex Strategic Supplier Summit which was held at the Flex Customer Innovation Center located in the heart of the Silicon Valley.

CSER SUCCESS STORY IN CHINA

One of our connector suppliers in Dongguan, China had many findings identified in our initial on-site audit which includes both labor and human rights aspect and environmental aspect.

Here are some of the findings:

1. Workers were not provided with sufficient statutory leaves and benefits. Marriage leave and sick leave are underpaid.

2. Sufficient rest days were not provided. Some workers had to work more than 24 consecutive days to fulfill production needs.

3. Fire safety was not properly attended. Inadequate fire protection equipment, such as exit signs, emergency lighting. Only one emergency exit was available while the other was locked in dormitory.

4. Pressing machines were not installed two-hand operation devices. There was a potential risk that a worker's hand could get injured.

5. Hazardous chemical waste was not properly disposed. There was not a qualified vendor for collecting and disposing the hazardous waste generated from production processes.

All the identified issues were explained to the supplier representatives during onsite audit, then the supplier submitted corrective actions plans with four months timeframe for the findings improvement as given. Flex CSER team reviewed their plans and provided training to the supplier, then monitored their progress of corrective actions by several email communications, phone call meetings and onsite visit. We returned to the factory after six months to follow up the corrective actions and they had improved on all the findings.

After the improvement project, we received a thank-you letter from the supplier management expressing their gratitude toward Flex for what we have done for them as they benefited from the CSER activities which have given them both competitiveness in their industry with customers' satisfaction and enabled them more attractive to job seekers and existing workers, because by promoting CSER activities, they provided a more humane and safer working condition for employees.
Conflict Free Sourcing of Extractives

Flex collects Conflict Minerals Reporting Templates from both customer-owned and Flex-owned suppliers. The collection of customer-owned data is solely for complying with due diligence and reporting obligations.

Flex also collects and provides aggregated declarations, specific to the customer’s supply base, for Flex-owned suppliers.

Flex has been involved in collecting Conflict Mineral data from our supply base since August 2011. We are an active participant in the CFSI and have adopted the tools published by the organization, including the Conflict Minerals Reporting Template as well as the Conflict Free Smelter Program. Flex is committed to promoting the expansion of these programs primarily to drive transparency and responsible sourcing within our supply base.

We have identified more than 17,500 suppliers in our supply base which have the potential of using 3TG in the products they supply. 83 percent of the suppliers, by spend, have been surveyed and 57 percent have submitted valid, complete declarations.

Flex has provided more than 111 customer-specific rollups of validated supplier templates. Our approach has been to provide aggregated declarations which are specific to the customer supply base in order to provide our customers with a more accurate representation of their supply base.


Supplier CSER Compliance Continual Improvement Plan

We strive to further improve our Supplier CSER Compliance Program by:

A. Expanding due diligence assessment to cover more suppliers.
   Flex will continue to widen the coverage of this program to more suppliers in more regions, especially South East Asia region.

B. Increasing supplier CSER training at manufacturing sites and developing more auditors.
   The CSER risk indicator will identify the CSER risk level of each preferred supplier and help commodity managers reduce the CSER risk in choosing preferred suppliers for new projects. High CSER risk suppliers will be alerted and actioned with the highest priority.

C. Establishing and maintaining a CSER risk indicator for preferred suppliers enabling more business going to low CSER risk suppliers.

D. Training and promoting the CSER Initiative for new local/domestic suppliers.

E. Providing updated customer-specific Conflict Minerals information to assist with our customers’ reporting and compliance obligations.
TECHNOLOGY INNOVATION AND SUSTAINABILITY

Designing and building intelligent products that are engineered and manufactured with sustainability in mind.
Our vision is to be the industry leader in manufacturing process technology and to provide support and services through best-in-class innovative engineering solutions.

Our mission is to create leading edge technology in the manufacturing industry and rapidly provide this technology to our customers through effective regional support.

Our Advanced Engineering Group relentlessly pursues automated solutions to benefit the repeatability of a process as well as improving the work environment. Automated assembly reduces the stress of moving heavy objects as well as reducing risk of injury from repetitive tasks.

Our passion to improve and revolutionize the manufacturing process drives us to ensure on a daily basis the safety of our colleagues as well minimize any adverse impact on the environment.

Murald Kurwa, Sr VP, Advanced Engineering Group.
Global Citizenship Report 2015

Executive Summary

Overview

Key Technology - Sustainable Projects

Technology Innovation and Sustainability

The Advanced Engineering Group (AEG) of Flex provides technologically focused innovative solutions that improve the reliability and quality of a product in a sustainable ergonomic healthy environment. AEG continues its strong dedication to Flex Corporate, Social and Environmental Responsibility (CSER) by developing new ways to improve processes through engineering disciplines while reducing waste. In addition to our commitment to CSER in our manufacturing processes, we support local communities through technological demonstrations to inspire the next generation of engineers.

Key Highlights

Several projects implemented that:

- Reduced electrical costs and maintenance costs
- Reduced costs and environmental hazards
- Reduced the waste of flux during the manufacturing process
- Improved the safety and reduced the risk of long-term injury for workers

Awards

IPC® Distinguished Committee Service Award

Recipient: Flex Advanced Engineering Group.

Awarded by: IPC®.

AEG was honored with an IPC® Distinguished Committee Service Award for its efforts in helping to establish standards for solar photovoltaic (PV) assembly.
Overview

The Advanced Engineering Group (AEG) of Flex provides technologically focused innovative solutions that improve the reliability and quality of a product in a sustainable ergonomic healthy environment.

Our mission is to create a technology differentiator, provide value engineering services, deliver rapid solutions through application engineering, create partnerships, deploy effective regional support & leverage the whole.

AEG continues its strong dedication to Flex CSER by developing new ways to improve processes through engineering disciplines while reducing waste.

Our engineering disciplines span automation, material analysis, reliability, health and safety, best practice, process technology development, and Intellectual Property (IP) patents.

In addition to our commitment to CSER in our manufacturing processes, we support local communities through technological demonstrations to inspire the next generation of engineers.

AEG persists in its dedication to being an industry leader in advanced electro-mechanical technology-based, value-added assembly services, and process development.

We continue to publish technical papers on our research as well as present our discoveries to the industry through technical conferences such as IPC® APEX and Surface Mount Technology Association (SMTA) International. AEG’s ongoing research into wearable technology has led to manufacturing breakthroughs with conductive threads, flexible electronics as well as developing equipment to test these materials.

INNOVATIVE SOLUTIONS THAT IMPROVE THE RELIABILITY AND QUALITY OF A PRODUCT IN A SUSTAINABLE ERGONOMIC HEALTHY ENVIRONMENT

Our AEG group has developed:

- Environmentally friendly cleaning methods,
- Processes to reduce hazardous waste,
- New ways to lower energy consumption to reduce our carbon footprint.

Automated assembly reduces the:

- Stress of moving heavy objects,
- Risk of injury from repetitive tasks.

These new developments allow Flex to produce high level products for our customers in an ergonomic environment that is safe and reliable.
Global Citizenship Report 2015

Key Technology - Sustainable Projects

Our group has developed environmentally friendly cleaning methods, implemented processes to reduce hazardous waste, and found ways to lower energy consumption to reduce our carbon footprint.

**Project**

**Energy Savings for Reflow and Wave Soldering**

To control the exhaust fan speed

**Project Description**

Flex has over 800 reflow machines and over 400 wave soldering machines in the world that require exhaust control systems to regulate heat and reduce emission.

**Achievements**

- Used Design of Experiment method to seek optimal operation to reduce excess use of electricity and air conditioning.
- Reduced electrical costs and maintenance costs.

**Project**

**Flux Savings**

Reduce the waste of flux during the manufacturing process

**Project Description**

Factories in Zhuhai, China implemented a flux spray system as part of the manufacturing process. This process involves spraying a board with flux. However, only about 10%-50% of a board actually needs flux applied to it. The Zhuhai team created a new system that would reduce waste and improve this process.

**Achievements**

- Programmable software to define spray range.
- Flux waste reduction.

**Project**

**Dry Ice Technology**

Environmentally friendly way to clean surfaces without damaging them or having hazardous residues

**Project Description**

Dry ice can be used as a cleaning agent in a cost effective and environmentally friendly way. The dry ice is squeezed through holes with 3mm diameter at a velocity of 300m/s and a temperature of -79°C. The compressed air penetrates under the contamination and immediately dissolves and removes it.

**Achievements**

- No chemical solvent used which reduces costs and environmental hazards.
- Reduces electric power consumption.
Executive Summary

Overview

Key Technology - Sustainable Projects

Project
Water Recycling
Reduce waste and protect environmental interests

Project Description
One of the major methods that AEG is evaluating is the process of recycling water from a washing process to be used for cleaning. This water can be collected and filtered to become usable. This water is then used to feed plants or other vegetation. This process has proven effective and has been implemented in other areas such as gathering water condensation to be used for feeding local flora.

Achievements
- Waste water to be reduced.
- Recycled water to be used to feed plants or other vegetation.

Project
Automated Digital Microscope Inspection
Improve operator working conditions

Project Description
All printed circuit board assembly boards must be visually inspected by operators during the production process. This requires them to use a microscope to inspect tiny components on boards for hours at a time. This is high ergonomic stress on the workers arms and hands. An automated solution to this challenge can be found by attaching a microscope to a robotic arm. The arm would move the microscope over the products with video projected onto a computer monitor. The operator can then look at a clear image in an ergonomic friendly way.

Achievements
- Eliminated ergonomic stress on workers arms and hands.

FLEX AEG MEMBER WINS IPC® DISTINGUISHED COMMITTEE SERVICE AWARD

Flex has been in close collaboration with the Association Connecting Electronics Industries (IPC®), a global trade group serving the printed board and electronics assembly industries. Members of the Flex Advanced Engineering Group (AEG) attended the IPC® Fall Standards Development Committee Meetings in Rosemont, Illinois (USA). The seminar was co-located with the Surface Mount Technology Association (SMTA) technical conference, one of the most comprehensive technical gatherings in the electronics manufacturing industry.

At the meeting, Dennis Willie, Director of Assembly Technology – AEG, was honored with an IPC® Distinguished Committee Service Award for his efforts in helping to establish standards for solar photovoltaic (PV) assembly. Awards were given to individuals who made significant contributions to IPC® and the industry by lending their time and expertise in the development of electronics manufacturing standards. Due to his and Flex taking the lead effort on a solar initiative, there is now a new IPC® industry standard for solar photovoltaic module assembly.

Project
Automated Memory Module Insertion
Improve operator working conditions such as ergonomics, safety and health along with process performance

Project Description
The automated memory module insertion performs a high quality memory module insertion into a PCB board memory socket. Automation eliminates operator manual labor, improves operator safety and avoids repetitive strain injuries (RSI’s) on the operator from the constant push force required to get the memory module into the socket while in production. This was done without compromising process consistency, repeatability and quality.

Achievements
- Operator relief from ergonomic strain to hands and fingers is eliminated.
- This process improves the safety and reduces the risk of long-term injury for workers.
- Improved process cycle time and product quality benefits realized.

FLEX AEG MEMBER WINS IPC® DISTINGUISHED COMMITTEE SERVICE AWARD

Flex is taking the lead effort on a solar initiative. Now there is a new IPC® industry standard for solar photovoltaic module assembly.
Elementary, high school and college students regularly visit Flex factories for advanced learning. These students are exposed to the Science, Technology, Engineering, and Math (STEM) fields. The students see what they learned in the classroom applied directly to the technology and products that Flex engineers use in their everyday life. The students have the opportunity to analyze objects under a microscope and perform nano scale measurements on bamboo and human hair using a Scanning Electron Microscope (SEM). The students also perform material analysis on the components inside the SEM. Flex Engineers demonstrate how to cross section parts of a Printed Circuit Board Assembly (PCBA) to look at the Ball Grid Array (BGA) solder joint connections. The students are also shown a lab area where they can see a wide variety of reliability and environmental tests being performed.

This a great opportunity for students to learn how engineering is applied to real life applications and products. By seeing the innovative methods Flex Engineers apply to their jobs, the students are presented with an idea of all of the possibilities that a career in engineering could provide.

Flex believes it is critical that students get a deeper understanding of how their creativity and passion can be used in the engineering field.
SUSTAINABILITY RECOGNITION AROUND THE GLOBE

Flex has been recognized by institutions around the world as one of the leading companies in environmental sustainability, philanthropy and human rights.
**Flex Business and Operations**

**Fortune Magazine’s Most Admired Companies**

Recipient: Flex
Awarded by: Fortune Magazine.

**Product Innovation Award**

Recipient: Flex Lighting Solutions Business Division.
Awarded by: Architectural SSL Magazine.

**Manufacturing Partner of the Year Award**

Recipient: Flex
Awarded by: Enphase Energy®.

**Environment**

**Leadership in Energy & Environmental Design™ (LEED®) Certification**

Recipient: Flex Corporate Headquarters in San Jose, California.
Awarded by: Gold by Leadership in Energy & Environmental Design™ (LEED®).

**Excellence in Project Management Award**

Recipient: Flex Automotive Business Division.
Awarded by: Samvardhana Motherson Refleetec (SMR).

**Supply Chain Excellence Award**

Recipient: Flex Hungary (Sarvar, Tab and Zalaegerszeg).
Awarded by: Central and Eastern European (CEE).

**Council of Supply Chain Management Professionals (CSCMP) 2014 Supply Chain Innovation Award™**

Recipient: Flex Milpitas.
Awarded by: CSCMP.

**R2 Certification: Responsible Electronics Recycler**

Recipient: Flex Aguascalientes, Mexico.
Awarded by: Orion Registrar Inc., recycling certifying company.
**Global Citizenship Report 2015**

**About Flex** | Economic | Governance | Flex Pledge | Ethics | Our People | Environment | Community | Supply Chain | Technology | Innovation | Recognition | About this Report | GM

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### CSER Conformance & Community Partnership

#### CSER Microsoft® Awards
- **Recipient:** Flex Zhuhai.
- **Awarded by:** Microsoft®.

#### Excellence in Education
- **Recipient:** Flex Asia.
- **Awarded by:** Ministry of Economy in Tczew.

#### Local Community Support Award
- **Recipient:** Flex Tczew.
- **Awarded by:** President of Tczew.

#### Ethics
- **Ethics Seal of Approval**
  - **Recipient:** Flex Althofen.
  - **Awarded by:** WEISS Institute.

#### CSER Microsoft® Awards
- **Recipient:** Flex Zhuhai.
- **Awarded by:** Microsoft®.

### Supply Chain

**Flex listed as one of the Best Supply Chains in Asia Pacific**

- **Recognized by:** Gartner®.

### Economic Performance

#### Top Treasury Team/Top Treasurer of the Year
- **Recipient:** Flex Asia.
- **Awarded by:** EuroFinance.

#### National Top of Companies 2014
- **Recipient:** Flex Timisoara.
- **Awarded by:** Chamber of Commerce and Industry of Romania.

### Technology

#### IPC® Distinguished Committee Service Award
- **Recipient:** Flex Advanced Engineering Group.
- **Awarded by:** IPC®.

### Our People

#### Top 100 Great Places to Work
- **Recipient:** Flex Institute of Technology, Brazil.
- **Awarded by:** Great Place to Work®.
About this Report

This Global Citizenship Report summarizes the activities, performance and results in calendar year 2014.

This report is prepared in accordance to Global Reporting Initiative (GRI™) G4 Guidelines, Core Option (See GRI™ Content Index in Appendix section). The core indicators reported are directed to explain why the information is material to the organization. With time, we will appoint a third party agency for external validation.

Flex has published CSER Reports since 2008. The last published report includes 2012 and 2013 data. We are planning annual reporting from this point forward, supplemented by more extensive publication of information on the Flex external website.

FEEDBACK

We welcome your feedback on our activities and performance. If you would like to share your thoughts, please contact the Global Citizenship team at Flex: global.citizenship@flextronics.com
## General Standard Disclosures

<table>
<thead>
<tr>
<th>General Standard Disclosures</th>
<th>Page Number (or Link)</th>
<th>External Assurance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain.</td>
<td>G4-13 FY15 Annual Report</td>
<td>*</td>
</tr>
<tr>
<td>How the precautionary approach or principle is addressed by the organization.</td>
<td>G4-14 11</td>
<td>*</td>
</tr>
<tr>
<td>The externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses.</td>
<td>G4-15 12</td>
<td>*</td>
</tr>
<tr>
<td>Memberships of associations.</td>
<td>G4-16 12</td>
<td>*</td>
</tr>
</tbody>
</table>

## Strategy and Analysis

### Statement from the CEO
- G4-1 6 *

## Organizational Profile

### Name of the organization.
- G4-3 99 *

### Primary brands, products, and services.
- G4-4 6 *

### Location of the organization’s headquarters.
- G4-5 FY15 Annual Report *

### Number of countries where the organization operates, and names of countries where the organization has significant operations.
- G4-6 6, 10 *

### Nature of ownership and legal form.
- G4-7 FY15 Annual Report *

### Markets served.
- G4-8 8 *

### Scale of the organization.
- G4-9 8, 7, 10 *

### Total number of employees by employment contract and gender.
- G4-10 7 *

### Percentage of total employees covered by collective bargaining agreements.
- G4-11 7 *

### Organization’s supply chain.
- G4-12 72, 73, 75, 79 *
## General Standard Disclosures

<table>
<thead>
<tr>
<th>General Standard Disclosures</th>
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<tbody>
<tr>
<td><strong>STAKEHOLDER ENGAGEMENT</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The stakeholder groups engaged by the organization.</td>
<td>G4-24</td>
<td>24</td>
</tr>
<tr>
<td>The basis for identification and selection of stakeholders with whom to engage.</td>
<td>G4-25</td>
<td>24</td>
</tr>
<tr>
<td>The organization’s approach to stakeholder engagement.</td>
<td>G4-26</td>
<td>24</td>
</tr>
<tr>
<td>Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns.</td>
<td>G4-27</td>
<td>24, 25</td>
</tr>
<tr>
<td><strong>REPORT PROFILE</strong></td>
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<tr>
<td>Reporting period for information provided.</td>
<td>G4-28</td>
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<tr>
<td>Date of most recent previous report.</td>
<td>G4-29</td>
<td>92</td>
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<tr>
<td>Reporting cycle.</td>
<td>G4-30</td>
<td>92</td>
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<tr>
<td>Contact point for questions regarding the report or its contents.</td>
<td>G4-31</td>
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</tr>
<tr>
<td>a. The ‘in accordance’ option the organization has chosen.</td>
<td>G4-32</td>
<td>92</td>
</tr>
<tr>
<td>b. The reference to the External Assurance Report.</td>
<td>G4-33</td>
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<tr>
<td>The organization’s policy and current practice with regard to seeking external assurance for the report.</td>
<td>G4-34</td>
<td>21</td>
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<tr>
<td><strong>GOVERNANCE</strong></td>
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<tr>
<td>The governance structure of the organization.</td>
<td>G4-34</td>
<td>21</td>
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### Specific Standard Disclosures

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<tbody>
<tr>
<td><strong>MATERIAL ASPECT: MARKET PRESENCE</strong></td>
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<tr>
<td>Disclosures on Management Approach.</td>
<td>G4 DDA</td>
<td>19</td>
<td></td>
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<tr>
<td>Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation.</td>
<td>G4 EEC5</td>
<td>19</td>
<td></td>
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<tr>
<td><strong>MATERIAL ASPECT: PROCUREMENT PRACTICES</strong></td>
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<tr>
<td>Disclosures on Management Approach.</td>
<td>G4 DDA</td>
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<td></td>
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<tr>
<td>Proportion of spending on local suppliers at significant locations of operation.</td>
<td>G4 EEC5</td>
<td>19</td>
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<td><strong>CATEGORY: ENVIRONMENTAL</strong></td>
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<tr>
<td><strong>MATERIAL ASPECT: WATER</strong></td>
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<tr>
<td>Disclosures on Management Approach.</td>
<td>G4 DDA</td>
<td>29, 30, 31, 32, 56, 57</td>
<td></td>
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<tr>
<td>Total water withdrawal by source.</td>
<td>G4 EN18</td>
<td>59</td>
<td></td>
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<tr>
<td>Percentage and total volume of water recycled and reused.</td>
<td>G4 EN110</td>
<td>57, 60</td>
<td></td>
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<tr>
<td><strong>MATERIAL ASPECT: EMISSIONS</strong></td>
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</tr>
<tr>
<td>Disclosures on Management Approach.</td>
<td>G4 DDA</td>
<td>29, 30, 31, 32, 56, 57</td>
<td></td>
<td></td>
<td>*</td>
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<tr>
<td>Direct greenhouse gas (ghg) emissions (scope 1).</td>
<td>G4 EN15</td>
<td>58</td>
<td></td>
<td></td>
<td>*</td>
</tr>
<tr>
<td>Energy indirect greenhouse gas (ghg) emissions (scope 2).</td>
<td>G4 EN16</td>
<td>58</td>
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<tr>
<td>Other indirect greenhouse gas (ghg) emissions (scope 3).</td>
<td>G4 EN17</td>
<td>58</td>
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<tr>
<td>Reduction of greenhouse gas (ghg) emissions.</td>
<td>G4 EN19</td>
<td>58</td>
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<tr>
<td><strong>MATERIAL ASPECT: EFFLUENTS AND WASTE</strong></td>
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<tr>
<td>Disclosures on Management Approach.</td>
<td>G4 DDA</td>
<td>29, 30, 31, 32, 56, 57</td>
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<tr>
<td>Total water discharge by quality and destination.</td>
<td>G4 EN22</td>
<td>60</td>
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</tbody>
</table>
## SPECIFIC STANDARD DISCLOSURES

<table>
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</thead>
<tbody>
<tr>
<td>Total weight of waste by type and disposal method.</td>
<td>G4-EN23</td>
<td>61</td>
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</table>

### MATERIAL ASPECT: SUPPLIER ENVIRONMENTAL ASSESSMENT

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<th>External Assurance</th>
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<tbody>
<tr>
<td>Percentage of new suppliers that were screened using environmental criteria.</td>
<td>G4-EN32</td>
<td>77</td>
<td></td>
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### MATERIAL ASPECT: OCCUPATIONAL HEALTH AND SAFETY

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</tr>
</thead>
<tbody>
<tr>
<td>Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender.</td>
<td>G4-LA6</td>
<td>50</td>
<td></td>
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### MATERIAL ASPECT: TRAINING AND EDUCATION

<table>
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<tbody>
<tr>
<td></td>
<td>G4-OMA</td>
<td>45, 46, 47</td>
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</thead>
</table>
| Average hours of training per year per employee by gender, and by employee category. | G4-LA9 | 46 | | | | *
| Percentage of employees receiving regular performance and career development reviews, by gender and by employee category. | G4-LA11 | 46 | | | | *

### MATERIAL ASPECT: SUPPLIER ASSESSMENT FOR LABOR PRACTICES

<table>
<thead>
<tr>
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</thead>
</table>
| Percentage of new suppliers that were screened using labor practices criteria. | G4-LA14 | 77 | | | | *

### MATERIAL ASPECT: SUPPLIER HUMAN RIGHTS ASSESSMENT

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<tr>
<td>Percentage of new suppliers that were screened using human rights criteria.</td>
<td>G4-HR10</td>
<td>77</td>
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<tr>
<td><strong>SUB-CATEGORY: SOCIETY</strong></td>
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<tr>
<td>MATERIAL ASPECT: LOCAL COMMUNITIES</td>
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<tr>
<td>Disclosures on Management Approach</td>
<td>G4-DMA</td>
<td>63, 64, 67</td>
<td></td>
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<tr>
<td>Percentage of operations with implemented local community engagement, impact assessments and development programs.</td>
<td>G4-SO1</td>
<td>67</td>
<td></td>
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<td></td>
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<tr>
<td><strong>MATERIAL ASPECT: ANTI-CORRUPTION</strong></td>
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</tr>
<tr>
<td>Disclosures on Management Approach</td>
<td>G4-DMA</td>
<td>36, 37, 38, 39, 40</td>
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<tr>
<td>Communication and training on anti-corruption policies and procedures.</td>
<td>G4-SO4</td>
<td>39, 40</td>
<td>Break down by employee category and region, The information is currently unavailable.</td>
<td>Future reports may include more information about this, building the capabilities to report more complete information.</td>
<td>*</td>
<td></td>
</tr>
</tbody>
</table>

* Not verified by an external organization. We are exploring the third-party validation of portions of the report, likely beginning with our environmental metrics.
We received over five hundred submissions to our first Flex employee photo contest! Special congratulations to this year’s winners, whose photos are included in this report.

1st place
Employee: Pinz Chen.
Site: Zhuhai, China.

2nd place
Employee: Adriano Menezes.
Site: Sorocaba, Brazil.

3rd place
Employee: Suresh Velankanni.
Site: Chennai, India.

Honorable mention
Employee: Viorel Stanciu.
Site: Timisoara, Romania.

Honorable mention
Employee: Roberto Sant.
Site: Treviso, Italy.

Honorable mention
Employee: Sathishkumar Chidambaram.
Site: Chennai, India.