



flex

SUSTAINABLE LIVING

2018 Sustainability Executive Report

We help companies transform ideas into smart solutions that shape a better world.

ABOUT THIS REPORT

The **2018 Sustainability Executive Report** recaps our most important activities, performance and results from the 2017 calendar year.

We appreciate your feedback on the information presented here. If you have any comments or questions, please drop us a line at sustainability.feedback@flex.com.

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CEO MESSAGE

In the **Age of Intelligence™**, we help our customers transform their ideas into intelligent solutions that contribute to a healthier, more sustainable world. We joined the UN Global Compact (UNGC) and aligned our strategy and global efforts to its Ten Guiding Principles.

Our sustainability commitment is integrated into every aspect of our business, extending throughout our supply chain. Our programs and initiatives, based on our cornerstones, exemplify our strategy, from thought to action. Our employees continue to respond with overwhelming support globally, and their energy continues to fuel our exceptional results in sustainability. Our efforts thus advance the broader development of the UN Sustainable Development Goals.

During CY17 we made significant progress in our sustainability efforts, including:

- » Reducing our health and safety incident rate to 0.50, for an annual reduction of 12% from 2016
- » Volunteering in our local communities more than 59,000 hours globally, adding up more than 207,000 since 2014
- » Providing financial and emergency response relief to 6 locations around the globe affected by natural disasters
- » Launching our annual Earth Day Challenge that increased awareness of environmental protection among our employees and communities. More than 80,000 employees participated across 61 sites from 21 countries
- » Manufacturing PV modules and solar trackers that produced power equivalent to the energy needed to run more than 1.17 million homes, totaling approximately 2 million homes since 2016
- » Installing more than 22,500 LED light fixtures, for a total of 110,000 since 2013, representing savings of 75,000,000 kWh/year and a reduction of 56,000 tonnes of CO₂ emissions per year
- » Utilizing more than 30 MW of renewable energy at our sites worldwide
- » Reducing water withdrawn by over 1,400,000 m³, an 11% reduction year-over-year
- » Supporting the mitigation of over 63,000 CO₂e through Certified Emission Reductions (CERs) with projects in India and China, which offset part of our Scope 3 CO₂e emissions

These are just a few examples of how we create positive impacts on the communities where we operate, the people we serve in those communities, and the environment at large. We weave sustainability into our day-to-day operations, not only because it is good for business but also because it is the right thing to do. It is how we deliver **Sketch-to-Scale®** solutions with and for our customers, across every major industry around the world. Not only are we creating a smarter, more connected world, we are also contributing to a better future.



Mike McNamara
Chief Executive Officer



ABOUT FLEX

Live Smarter.

We are the **Sketch-to-Scale®** solutions provider that designs and builds **Intelligent Products for a Connected World®**.

SKETCH-TO-SCALE® SOLUTIONS SPAN A BROAD RANGE OF CAPABILITIES:

- Concept Design
- Prototype Creation
- Advanced Engineering
- New Product Introduction
- Modern Manufacturing
- Global Expansion
- Intellectual Property (IP) Protection
- Active Supply Chain
- Distribution & Logistics

CAPABILITIES

INTELLIGENCE OF THINGS™

Components/Modules

Technologies

Platforms

MODERN MANUFACTURING

Precision Plastics

Mechanicals

Machine-to-Machine Communications

Smart Automation

Extended Reality (XR)

Additive Manufacturing

INDUSTRIES

Partnering with the most innovative companies building products across nearly every major industry including:

Automotive

Building and Construction

Health/ Digital Health

Cloud and Communications

Consumer

Energy

Industrial

Wearables and Apparel

OUR NUMBERS

ECONOMIC PERFORMANCE FY18

Revenue (USD):	\$25.4 billion
Net Income (USD):	\$429 million
Earnings per Share:	\$0.8
Increase on Annual Net Income:	34.1%
Increase in Earnings per Share:	35.6%

BREAKDOWN OF EMPLOYEES (By Employment Contract and Gender)

Total:	202,161
Direct Laborers:	158,713
Indirect Laborers:	43,448
Female*:	78,848
Male**:	109,585

RATIOS OF STANDARD ENTRY LEVEL WAGE BY GENDER COMPARED TO LOCAL MINIMUM WAGE AT SIGNIFICANT LOCATIONS OF OPERATIONS**:

Female:	1.28
Male:	1.28

OUR NETWORKS

We participate in many external sustainability networks where we can provide leadership and obtain the leverage of collaboration within and outside of our industry.



We are a founding and full member of the Responsible Business Alliance (RBA) – Improvement of working and environmental conditions through leading standards and practices



We are corporate members of Business for Social Responsibility™ (BSR™) – Collaboration among companies and their stakeholders for systematic progress toward a just and sustainable world

To know more about our other memberships and partnerships, visit: flex.com/sustainability/stakeholder-engagement

RATINGS AND RANKINGS

FTSE4Good



We were listed in the FTSE4 Good Index Series, which was designed to measure companies' performance in terms of environmental, social and governance practices.

ISS-oekom



ISS-oekom recognized us with a Prime Status in our Corporate Rating as a leader in our industry for our commitment to environmental, social, and governance issues.

EcoVadis



We obtained the "Gold Recognition Level" from EcoVadis, a provider of CSR Ratings and Scorecards, placing us in the top 5% performance.

* Gender information not available for all employees.

** In 2017, this included the wages of the following countries: Brazil, China, Hungary, India, Malaysia, Mexico, Poland, and Romania.

AWARDS & RECOGNITION

Global recognition for our efforts and accomplishments.

We're proud to share the worldwide recognition that our work in operations, service, and sustainability received in 2017.

CORPORATE

2017 FORTUNE WORLD'S MOST ADMIRABLE COMPANY
SEMICONDUCTOR CATEGORY

Recipient: Flex
Awarded by: Fortune Magazine

Fortune recognized Flex as The World's Seventh Most Admired Semiconductor Company, up from the #8 spot in 2016.

FTSE4GOOD

Recipient: Flex
Awarded by: FTSE Russell

For the second time, Flex was a constituent of the FSTE4Good Index. This index is designed to measure the performance of companies demonstrating strong Environmental, Social and Governance Practices.

RESPONSIBLE BUSINESS AWARDS EMPLOYEE ENGAGEMENT
CATEGORY SHORTLIST

Recipient: Flex
Shortlisted by: Ethical Corporation

Flex was a finalist in the Employee Engagement category, through activities like the Earth Day Challenge and the Employee Scholarship Program.

INDUSTRY

FABRIK2017 MANUFACTURING AWARDS

Recipient: Flex Althofen, Austria
Awarded by: Fraunhofer Research Institute & WEKA Industrie Medien

A clean sweep for Flex, as the Althofen team scooped all Fabrik2017 Manufacturing Industry awards, including 2017 Factory of the Year, Green Factory 2017, Smart Factory 2017, and Efficient Factory 2017.

EXCELLENCE AND PAR EXCELLENCE AWARD

Recipient: Flex Bangalore, India
Awarded by: Quality Circle Forum of India

Flex GSS teams from India brought home this award thanks to their case studies on Productivity & CRM Yield Improvement.

MANUFACTURER OF THE YEAR

Recipient: Flex Tczew, Poland
Awarded by: CEO Manufacturing Magazine and EuropaProperty.com

For the second year in a row, Flex Tczew was named Manufacturer of the Year in Poland.

ENVIRONMENT
THE CIRCULARS AWARD

Recipient: Sintronics, a Flex company
Awarded by: The Forum of Young Global Leaders

Sintronics, founded by Flex, was recognized as one of the companies that contribute the most in the shift towards a circular economy.

PEOPLE
BEST COMPANY IN HEALTH AND SAFETY MANAGEMENT AWARD, ELECTRONIC INDUSTRY CATEGORY

Recipient: Flex Sorocaba; Manaus PCBA; and Manaus Mech, Brazil
Awarded by: ABINEE (Brazilian Electrical and Electronics Industry Association)

Flex Brazil won this recognition from the ABINEE (Brazilian Electrical and Electronics Industry Association) for its achievements in health and safety.



COMMUNITY
EXCELLENT VOLUNTEER TEAM AWARD

Recipient: Flex Shenzhen GuShu, China
Awarded by: Shenzhen Bao'an Xixiang Volunteer Federation

Flex Gushu was awarded this honor for the fourth consecutive year. Since 2013, the site's Volunteer Service Team has worked on projects that help people with disabilities, protect the environment, and promote personal development.

INNOVATION
CLEPA INNOVATION AWARDS 2017

Recipient: Flex DSN Stuttgart, Germany
Awarded by: CLEPA - The European Association of Automotive Suppliers

Flex was honored for ultimate automotive supplier excellence with The Flex Smart Gateway Module, winning First Place in the Cooperation category with our partner Volkswagen, and Third Place for Connectivity and Automation.

INTEGRITY
ETHICS SEAL OF APPROVAL

Recipient: Flex Althofen, Austria
Awarded by: WEISS Institute of Business Ethics

As one of only six companies in Austria to be awarded the Gold standard, Flex Althofen has now been deemed "Sustainable & Fit for our Grandchildren." The assessment considered our approach to environmental issues, how we use resources, our employees' working conditions, and how we treat our customers and suppliers.



ANTI-CORRUPTION PRACTICES

Recipient: Flex Mexico
Reviewed by: Mexicanos Contra la Corrupción y la Impunidad and Transparencia Mexicana



Mexicanos Contra la Corrupción y la Impunidad and Transparencia Mexicana reviewed the public commitment on corporate integrity of the 500 major companies within the country. In 2017, Flex Mexico obtained 90.2 points out of 100, which is the second best grade obtained as the result of this evaluation.

SUSTAINABILITY STRATEGY

Building a more sustainable world in the Age of Intelligence™.

Our strategy guides our efforts to deliver sustainable operations to our customers and other stakeholders and to help create a smarter, safer and healthier world. This focus upon society and the environment sets us apart as a leader in a “market of one” that develops **Sketch-to-Scale®** solutions, innovative technologies, and state-of-the-art manufacturing.

We focus our commitments, policies, management systems, multiyear goals, programs, and initiatives on five cornerstones to drive sustainability across the company and our value chain: People, Community, Environment, Innovation and Integrity.

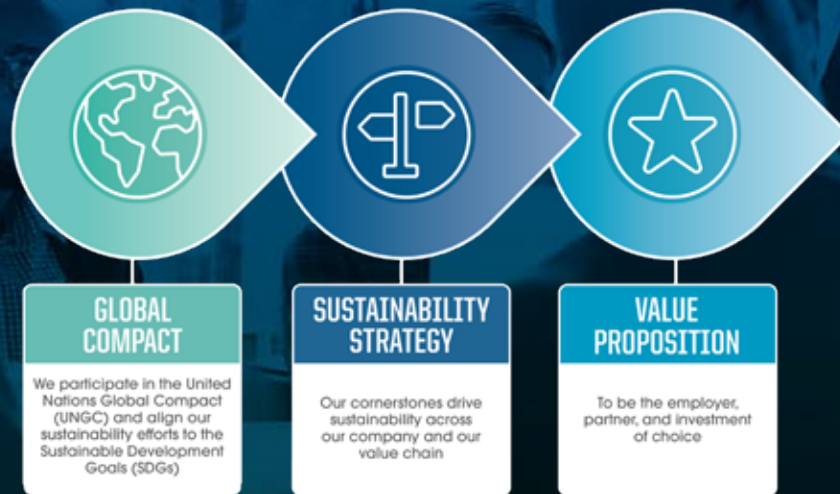
OUR PLEDGE TO THE GLOBAL COMPACT

In 2017, we started the process to become a participant in the UNGC, the world’s largest sustainability initiative.

While our management systems were already well developed by that time and aligned to international norms, our sustainability strategy will also benefit by being aligned to the United Nations Global Compact (UNGC).

As part of our commitment to the future, we pledged to do business responsibly by voluntarily following the UNGC’s Ten Principles in the areas of human rights, labor, the environment, and anticorruption. We will also contribute to the United Nations Sustainable Development Goals (SDGs).

As noted, we have selected Quality Education (#4), Clean and Affordable Energy (#7), Decent Work (#8) and Responsible Production and Consumption (#12) as the goals most closely related to our business.



DRIVING SUSTAINABILITY ACROSS OUR COMPANY AND OUR VALUE CHAIN

When we set out on this journey towards sustainability, we decided to focus our efforts on five cornerstones to drive change not only in our business, but also throughout our value chain. Our people, communities, environment, innovation, and integrity are intimately connected, with each one affecting the others.



Our Commitments

Our commitments in the areas covered by our cornerstones showcase our internal practices and allow us to ensure that we embed sustainability into every aspect of our business.

Our Core Policies and our Social and Environmental Management System

Our social and environmental management system consolidates several management systems into one. It includes an Environmental Health and Safety Policy and a Human Rights Policy that are available to all persons working for or on behalf of our company, as well as to vendors, customers, and the public.

Our Goals

In 2016, we aligned our efforts with the SDGs to our Flex 20 by 2020 goals. Our employees and sites adopted these global goals and implemented local programs and initiatives around the world, driving social and environmental action and awareness within our facilities and in local communities.

Our Global Programs and Initiatives

We drive action through our global programs and initiatives, including Flex Pledge assessment and auditing, 5S, Gemba Walks, and other programs aimed at safety and good housekeeping, Tone-at-the-Top (aimed at driving a culture of integrity), Machine Safety, Product Environmental Compliance and many others. These operational initiatives are reinforced by employee engagement and development programs, such as Flex Leadership Development Program (FLDP), Employee Scholarship Program, Service Learning Initiative, Earth Day Challenge, and Worker Empowerment Training Program (WETP), among others.

Collaboration in Our Operations and Our Value Chain

Our operations span more than 100 locations across 30 countries and enable us to test and identify best practices to improve performance in productivity and sustainability. Each of our sites contributes to our overall sustainability strategy. We are also committed to monitoring and complying with social and environmental requirements across the supply chain continuously, and we partner with our customers in various sustainability efforts. Flex participates in many external sustainability networks where we can provide leadership and leverage our collaboration within and outside of our industry.

OUR VALUE PROPOSITION

We aim to be the employer of choice, the partner of choice, and the investment of choice in our field. The only way to achieve this goal is by developing and empowering our talented employees to achieve their full potential while providing them with a healthy, safe, and secure workplace; by providing our clients with **Sketch-to-Scale®** solutions; by designing and building **Intelligent Products for a Connected World®**; and by generating value for our stakeholders through excellence in corporate sustainability practices.

PEOPLE

Fostering a safe workplace where our employees feel empowered to reach their full potential.

We're committed to respecting the human rights of our employees and improving their quality of life. We encourage our people to engage in lifelong learning, and we provide opportunities for them to perform to the best of their abilities. We celebrate diversity as a major contributor to the strength of our culture of innovation and inclusion.

KEY HIGHLIGHTS 2017

828K+

Our employees completed 828,328 online and in-person training hours.

13

Thirteen globally connected business leaders have graduated from our [Leadership Development Program](#).

12%

Our incident rate decreased by 12% as compared to the previous year.

Human Rights Policy Training

In 2017, we developed a microlearning course to train employees on our Human Rights Policy.

31

Thirty-one sites participated in our People with Disabilities Awareness Week that supported 40 onsite conferences, workshops, and trainings; 21 volunteer activities; and 28 nonprofit organizations.

New D&I Policy

We consider the diversity and inclusion (D&I) of our workforce an asset. Consult our [Commitment and Policy](#).

FLEX 20 BY 2020 PROGRESS STATUS



Increase Employee Development



Increase RBA Compliance for Rest Day Requirements



Increase Flex Pledge Audits

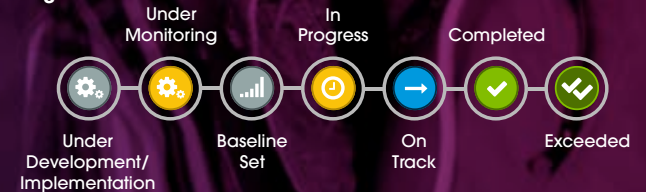


Decrease Incident Rate

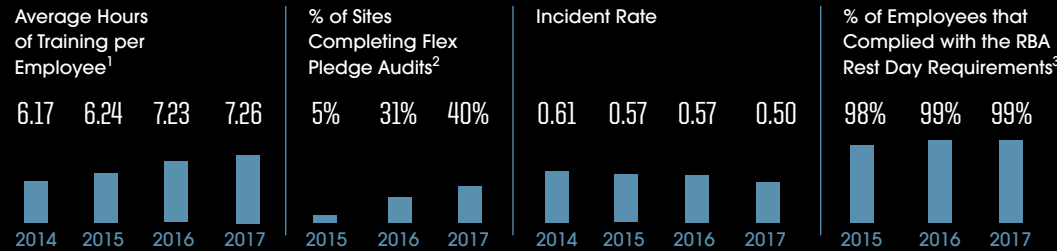


Increase Human Rights Policy Training Completion

Legend



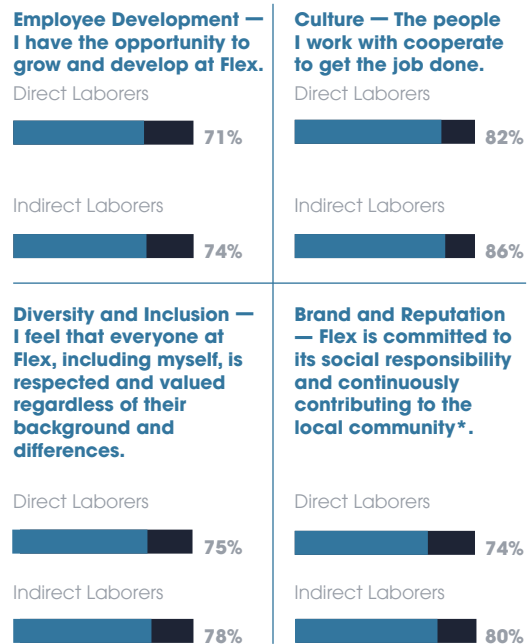
KEY PERFORMANCE INDICATORS



ANNUAL EMPLOYEE SURVEY

Our employees' opinions are very important to us. Each year, we ask them to evaluate our organization's performance.

Some of the year's most relevant results appear below:



* This question was only applied to employees in the EMEA region.

DIVERSITY AND INCLUSION

With locations in more than 30 countries, Flex is intrinsically diverse. Our strength comes from the dedication, talents, experiences, and perspectives of every employee. We strive to empower all of our employees to do their best work, and we provide them with ample opportunity for career advancement.

People with Disabilities (PwD) Awareness Week

In 2017, we carried out our first PwD Awareness Week featuring onsite community and fundraising activities that raised awareness for People with Disabilities. Our global sites responded enthusiastically, with 31 countries participating in 100 activities, benefitting 28 different nonprofit organizations.

Women in Flex

In 2017, there was a wealth of global events that highlighted Women in Flex.

In the US, employees participated in fireside chats with women in leadership positions who shared their professional career advancement and how they built their executive brands.

These chats kickstarted our first Employee Resource Group (ERG) at Flex: Women in Flex, with the sponsorship of our Senior Vice President and Deputy General Counsel Marianne Wolf.

This ERG group is represented by a diverse team of women throughout different regions at Flex. Together, their aim is to enhance our company's gender equality and balance, expose women to the world of technology, encourage a more inclusive work environment, and expand learning and career growth opportunities for women.

A CULTURE OF SAFETY, HEALTH AND WELLNESS INNOVATION

We are building on our culture of safety by promoting accountability in all business areas, to drive continuous improvement:

- » Establishing technology that streamlines processes
- » Integrating safety into daily operations
- » Appointing safety excellence leaders throughout our organization

During 2017, we tested an online incident reporting tool to capture real-time incident information, which will launch enterprise-wide in 2018. Our EHS teams in Brazil developed an app to manage compliance, chemicals, and safety inspections. We also have incorporated safety measures into our Kaizens, Gemba walks, and standard work processes at various locations.

In the US, we also developed a Flex Wellness program through which employees enrolled in a Flex medical plan have access to [HealthTap](#), a virtual hub for managing all their healthcare needs. Over 80% of eligible employees have an active HealthTap account.

Several sites conducted a Health and Safety Week initiative in 2017 with the objective of promoting safety and enhancing wellness among employees. For example, in our Senai Industrial site, 109 employees engaged in activities that included hands-on fire-extinguisher training, locating emergency exits in plants, and medical staff knowledge sharing.

1. Prior to 2016, only major sites (based on their population) were measured. In 2016, the metric was expanded to cover all Flex entities.

2. Version: Flex Pledge 3.0.

3. In 2015, only hourly production workers in China, Mexico, and the US were covered. In 2016, Brazil, Indonesia, Malaysia, and Singapore were added. In 2017, India was added.

COMMUNITY

Giving back locally to build resilient communities across the globe.

Our local communities remain important to us. We are committed to numerous initiatives including making inclusive and quality education available, promoting lifelong learning opportunities, driving employment and decent work, providing disaster relief, advancing environmental protection, spreading awareness, and generating action. These initiatives receive financial support from Flex Foundation grants, corporate and employee donations, and employee volunteering efforts. We receive further support through our strong collaboration with nonprofit organizations, community leaders and governments.

KEY HIGHLIGHTS 2017

538

Our sites carried out 538 community activities including those for the Earth Day Challenge and the People with Disabilities Awareness Week.

Disaster Relief

We provided disaster relief to locations affected by natural disasters, like Hurricane Harvey in TX, Maria in Puerto Rico, the fires in California, the flooding in San Jose, and the earthquakes in Mexico.

86%

Eighty-six percent of our sites with 5,000 or more employees have collaborated with nonprofit organizations receiving a Flex Foundation grant.

73%

Seventy-three percent of our sites completed at least one community activity.

59K+

Over 19,800 volunteers invested more than 59,000 hours.

340

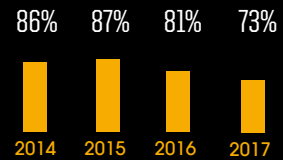
Three hundred and forty donations to nonprofit organizations worldwide.

FLEX 20 BY 2020 PROGRESS STATUS

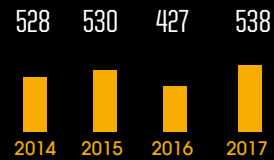


KEY PERFORMANCE INDICATORS¹

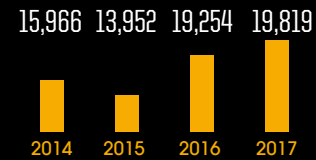
% of Operations that Have Implemented Local Community Engagement Activities



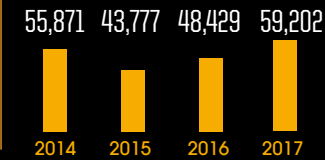
Total Local Community Engagement Activities



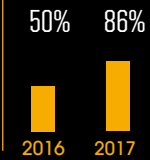
Total Volunteers



Total Volunteer Hours



% of Sites with Community Grants²



DISASTER RELIEF

Assisting people in time of need and adversity provides an opportunity to bring forth the best in us. 2017 was a trying year with an unprecedented number of global natural disasters. Present in more than 30 countries, we felt a responsibility to provide relief; the Flex Foundation and our employees rallied behind these efforts.

02.2017 > Flood, San Jose, CA, USA

The Flex Foundation donated funds to the Silicon Valley Community Foundation.

08.2017 > Typhoon Hato, Southern China

The Flex Foundation and our employees donated funds to Habitat for Humanity to help with rebuilding efforts.

08.2017 > Hurricane Harvey, Texas, USA

Our sites provided in-kind donations; employees donated funds with a match from the Flex Foundation to Save the Children® and a Flex Foundation grant to the Salvation Army.

09.2017 > Hurricane Maria, Puerto Rico, USA

Flex matched employee donations to Save the Children®.

09.2017 > Earthquakes, Mexico

Our sites contributed in-kind donations to the local Red Cross to support relief efforts, with additional donations to UNICEF. The Flex Foundation matched employee donations to the Red Cross and Save the Children®, and additional monetary donations to TECHO to support emergency housing.

10.2017 > Fires, Northern California, USA

The Flex Foundation donated funds to Silicon Valley Community Foundation, which advances innovative philanthropic solutions to challenging problems. Donations benefited residents affected by the fires.

SERVICE LEARNING

In 2017, 24 Flex employees from 10 sites and four countries raised money to travel to Vientiane, Laos to help complete the building of a school which authorities aim to turn into a regional school for surrounding villages by 2020. This directly impacted 300 Laotian students. Donated textbooks will benefit up to 3,000 students over the next five years. Our employees carried out our first service learning in 2016 in response to the Nepal earthquake. Both Laotian and Nepalese projects were named "hope" in the local language.

TECHNICAL AND VOCATIONAL TRAINING

We believe that quality education has a lasting positive impact within society and provides people with the skills necessary to succeed in the workplace.

Worker Empowerment Training Program

We developed a [training program](#) in collaboration with [BSR™ \(Business for Social Responsibility™\)](#) to build the abilities of our suppliers' key supervisors and future production leaders. The program is provided through a combination of off-line Trainer-of-Trainer (TOT) Training, online training, and through training in our suppliers' factories. In the coming years, it is projected to impact a total of 20 suppliers.

Supporting Women with Technology Education Programs Kanata, Canada & Guadalajara, Mexico

In 2017, the Flex Foundation supported two nonprofit organizations that support local, disadvantaged women: the Canadian iSisters Technology Mentoring Inc. that provides digital and media literacy skills and mentoring in new communications technologies, and the Mexican

Laboratoria Coding A.C. that provides a coding boot camp to develop front-end web developers. Through the grants, iSisters will support 42 women and Laboratoria another 40, preparing them to enter the workplace, start their own business, or continue studying.

Preparing Talent to Meet the Market Demand Tczew, Poland

Fundacja Fabryka Talentów (FFT) works with the Gdansk University of Technology (GUT) in Poland to provide human resources to the industry, especially to meet needs to address the deficit of quality assurance engineers. Our support helped to create a Quality Laboratory for students at GUT where they can learn quality assurance practical skills which will better prepare them to work in the industry. This laboratory will benefit up to 250 students annually.

Opportunities for People with Disabilities Zhuhai, China

The Flex Foundation supported the EDGE Academy in providing technical and vocational training for 180 students with disabilities, hailing from 12 provinces including Guangdong, Anhui, Fujian, Hubei, Tibet, Jiangsu, Jiangxi, Shandong, Shanxi, Henan, Hebei and Liaoning.

Kallang, Singapore

In Singapore, the Flex Foundation supported SPD, a nonprofit organization which helps people with disabilities to be self-reliant and independent through programs and services that encompass therapy, vocational skills training, employment support, and assistive technology (AT), among others. Our donation contributed to the impact of more than 400 people. Participants received training on how to use AT, with the opportunity to borrow AT devices. They also obtained technical support and vocational training at the Sheltered Workshop.

1. In 2016, a more detailed tracking system was implemented.
2. Sites with 5,000 or more employees.

ENVIRONMENT

Driving environmental awareness and sustainability practices that make a difference.

We approach environmental responsibility beyond baseline compliance by focusing on environmental awareness and sustainable practices at our locations and in the communities where we work, operate and live. Using our environmental management system as the foundation, we deliver global initiatives that help reduce environmental risks and mitigate negative impacts.

KEY HIGHLIGHTS 2017

+1.4 million

We reduced total water withdrawn by more than 1.4 million cubic meters as compared to the previous year.

1.9 million

Flex Energy Solutions manufactured PV modules and solar trackers that produced the power equivalent of the energy required to run 1.9 million homes³.

~80,000

Eighty thousand employees from 61 sites in 21 countries participated in more than 260 initiatives during our two-week Earth Day Challenge 2017.

+30 MW¹

We used more than 30 MW¹ of renewable energy on our sites across the globe, marking an increase of 5.6 MW from the previous year.








63,299 tonnes

We abated 63,299 tonnes of Scope 3 CO₂ emissions through Certified Emission Reductions (CERs) Certificates from the Clean Development Mechanism from projects in India and China.

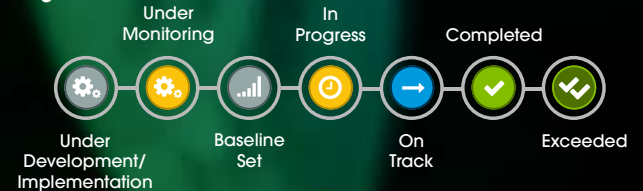
+43,000 tonnes

We reduced our Scope 1 and Scope 2 CO₂ emissions through our energy management program.

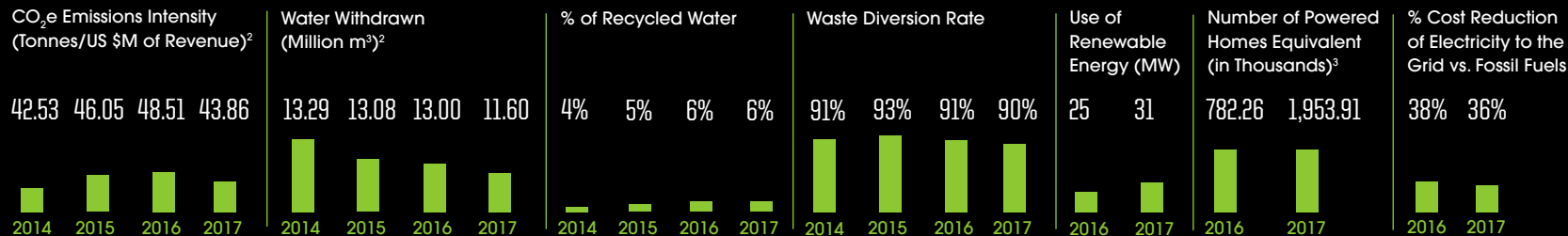
FLEX 20 BY 2020 PROGRESS STATUS

-  Decrease CO₂e Emissions²
-  Increase the Number of Powered Homes Equivalent
-  Increase Use of Renewable Energy
-  Increase Waste Diversion Rate
-  Decrease Water Consumption²
-  Decrease Cost of Electricity to the Grid vs. Fossil Fuels
-  Increase Water Recycling

Legend



KEY PERFORMANCE INDICATORS



WASTE MANAGEMENT

Our Flex Scrap policy aims to control, measure, and capture scrap and waste inventory.

Recently, in phase one we expanded this process to six locations in Malaysia, India, Mexico, and the US, and we plan to start implementing the program worldwide in 2018.

This global program increases our waste diversion rate, which is one of our Flex 20 by 2020 environmental goals.



Precious Metal Recovery Reclamation Process

In some of our sites, an end-recycler smelter recycles our e-waste, which is a process that refines and obtains precious metals contained in our electronic scrap. This approach complies with environmental requirements, maximizes recovery, and improves our waste diversion rate.

Wood Pallet Recycling Project

In 2017, three Mexico sites (San Luis Rio Colorado, Guadalajara North, and Guadalajara South) pioneered a project to recycle wood pallets using a third-party company to remanufacture these packing pallets for external use. Part of the initiative calls for establishing a segregation process prior to final disposal. Ultimately, we will establish a self-managed pallet repair center in Aguascalientes. We anticipate expanding this project to other locations in 2018.

WATER MANAGEMENT

Our water management strategy incorporates both recycling and reuse of water to alleviate pressure on this resource.

Wastewater Treatment Plant Upgrades Zhuhai-Multek, China and Austin, Texas, US

In 2017, we upgraded our wastewater treatment plants in Zhuhai-Multek and Austin. Our Zhuhai-Multek facility can treat up to 2 million cubic meters of water per year and uses a process that recovers high purity copper. This facility received the Guangdong Province Cleaner Production Certification Level. We also enhanced our treatment plant in Austin by installing a wastewater recycling system and upgrading the prefilter system. As a result, this plant can now recycle almost 91,000 cubic meters per year.

Rainwater Reuse Corlu, Turkey and Mukachevo, Ukraine

Our water management strategy also uses rainwater collection. As part of a water conservation strategy to reduce runoff, our sites in Corlu and Mukachevo collect

rainwater that is then used in those sites for gardening or in the cooling systems.

ENERGY MANAGEMENT AND EMISSIONS REDUCTION

We have implemented 247 energy-saving projects worldwide. Our aim is to improve energy efficiency, optimize processes, and reduce emissions. Key examples of these projects include installing energy-efficient HVAC systems, replacing lighting installations with LEDs, improving maintenance programs, and building control systems. Our energy management program has reduced our annual CO₂ emissions by more than 43,000 tonnes, a decrease of 5% from our location-based Scope 1 and Scope 2 2016 baseline⁴ emissions. Overall, we achieved a 9.6% decrease in GHG intensity per dollar of revenue.

LED Light Fixtures Replacement

We produce some of the world's most efficient LED lighting systems for commercial and industrial applications worldwide. Between 2013 and 2017, we installed approximately 110,000 LED light fixtures manufactured by Flex Lighting Solutions in 13 countries (Brazil, Canada, China, Hungary, India, Italy, Malaysia, Mexico, Poland, Romania, Switzerland, Ukraine, and the US). This resulted in savings of 75,000,000 kWh/year, which could power the equivalent of around 7,000 homes⁵ for one year. This global project helped us to reduce 56,000 tonnes of CO₂ emissions per year⁶.

Renewable Energy

We also used more than 26,500 MWh of solar photovoltaic and wind energy from on-site installations and from a Power Purchase Agreement (PPA) supported by energy attribute certificates.

1. Renewable energy used refers to the MWs of solar power installed, and the power procured from third-party renewable sources.
 2. DNV [veriflect](#) our Scope 1 and Scope 2 CO₂ emissions and water withdrawn in 2017.
 3. Equivalency refers to the number of homes that can be powered with the MWs of solar panels and trackers produced by Flex. The calculation assumes that a home's energy demands are equivalent to the energy demands of an average (5 kW) household in California. The number of powered homes equivalent provided is the accumulated value thru 2017.

4. The CO₂ Emissions Intensity was re-baselined due to an enhancement in the 2017 calculation and the inclusion of new sites into the environmental data tracking system.
 5. Assumes an average annual electricity consumption for a US residential utility customer of 10,766 kWh.
 6. Assumes 50 weeks per year, six days per week, and 24 hours per day.

Creating a sustainable, intelligent world, one idea at a time.

We have entered the **Age of Intelligence™**, where innovation is the only way forward. From wearables to telecoms, we help you develop creative ideas that make life better.

KEY HIGHLIGHTS 2017

Bright Insight™

Flex Digital Health introduced a medical-grade intelligent IoT platform that optimizes connected therapies and medical devices through integrated real-time data and actionable insights.

80+

We brought to market more than 80 new medical and drug delivery products developed from **Sketch-to-Scale®** to help millions of patients around the world.

1,660+

We designed and built more than 1,660 residential solar systems and four MW of commercial projects in Australia.

900 MW

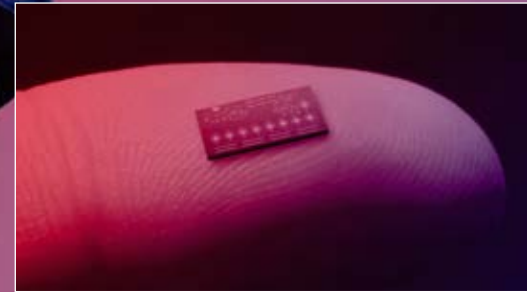
We operate 900 megawatts of solar manufacturing capacity worldwide.

Sincronics

As a Flex-founded Brazilian company, Sincronics pioneers circular manufacturing processes that realize up to 82% energy savings over normal plastics production. These processes put 95% of recovered material back in the supply chain and replace 20% of virgin plastics with recycled materials.

264

We obtained 264 patents.



HEALTH SOLUTIONS

Our innovation ecosystem and human factor expertise helps customers define and develop cutting-edge products for safe and effective use by patients and healthcare providers. Our integrated technology platforms help medtech and pharmaceutical companies bring products to market faster and with the most advanced technologies available.

DIGITAL HEALTH

Flex Digital Health introduced BrightInsight™, its medical-grade intelligent IoT platform that optimizes connected therapies and medical devices through real-time, integrated data and actionable insights for pharmaceutical and medical technology companies. Going beyond simple Medical Device Data System (MDDS) solutions in the market today, BrightInsight™ was built from the ground up to support CE-marked and FDA-regulated Class I, II, and III medical device, combination product and Software as a Medical Device requirements. BrightInsight™ is commercially available today.

Flex Digital Health also formed a strategic partnership with Google Cloud focused on three key areas:

- » Flex Digital Health will utilize the highly secure Google Cloud Platform as its trusted and experienced cloud provider and has developed a highly differentiated change control management process to meet our customers' regulatory requirements.
- » Flex Digital Health and Google are developing advanced analytics tools to support our customers' healthcare use cases.
- » Flex Digital Health and Google are developing consumer-oriented services for our customers that support medication adherence, patient engagement, and operational insights, including voice-based solutions, such as Google Home.

ENERGY SOLUTIONS



Success in the **Age of Intelligence™** requires energy solutions that are as smart as they are sustainable. These solutions require a platform compatible with the **Intelligence of Things®**, and platforms like [SmartNexus™ by Flex and NEXTracker](#), a Flex company, provide exactly that.

[NEXTracker](#) fuels the renewable energy transformation by designing and building some of the most advanced solar trackers and energy storage systems in the industry. NEXTracker's intelligent solution becomes even smarter through tools like [TrueCapture™](#), a self-adjusting tracker control

system that employs machine learning and data analytics to boost performance and maximize ROI.

[SmartNexus™](#) provides the infrastructure to securely collect and manage data flowing in and out of solar fields. Ultimately, this partnership allowed NEXTracker to provide a clear, end-to-end path to bring connected products to life. SmartNexus™ allows companies to get to market faster, scale to meet demand easier, and future-proof their investments with security and insights that continuously make products safer and smarter. We also designed and built more than 1,660 residential solar systems and 4 MW of commercial projects in Australia. In addition, we manufacture Electric Vehicle (EV) charging stations to support the 530 million electric vehicles projected to be on the road by 2040¹.

SINCTRONICS

Sinctronics, a Flex-founded Brazilian company, is pioneering circular manufacturing processes that are making the information technology industry greener and more sustainable. To achieve success in circular manufacturing, we needed to build out four separate functions: reverse logistics, recycling facilities, R&D through our Green IT Innovation Center, and reverse supply chains. Our belief is that the new circular economy will ultimately be more efficient than the old linear model, and this drives our investment in this innovation. These processes allow us to put 95% of recovered material back in the market. Recycled plastics are sent to our supply chain partners and replace up to 100% of virgin materials for selected parts.

[View video](#)

BrightInsight™ is a trademark of Flex Ltd. and its affiliates

1. According to the [2018 Electric Vehicles Report](#) published by Bloomberg New Energy Finance.

INTEGRITY

Operating ethically and leading with integrity.

Integrity is a key part of how we do business at Flex. We expect our employees and business partners to follow the highest ethical standards. Our ongoing commitment to ethics and compliance has helped us earn and maintain the confidence of our customers, investors, vendors and the communities in which we work.

KEY HIGHLIGHTS 2017

98%

Ninety-eight percent of our employees completed the Code of Business Conduct and Ethics (CoBCE) online training.

1,100

Addressed approximately 1,100 reports covering a variety of issues. In some cases, the Ethics and Compliance group provided guidance and took immediate action. In other cases, a review or investigation was required.

QBR

Added Ethics and Compliance as a mandatory metric in site Quarterly Business Reviews.

1-1

In addition to CoBCE online training, we provided in-person training in a variety of forums, including leadership conferences, regional and corporate staff meetings and site-level trainings.

66

Provided Tone-at-the-Top live training at 66 sites over 18 months.

FLEX 20 BY 2020 PROGRESS STATUS

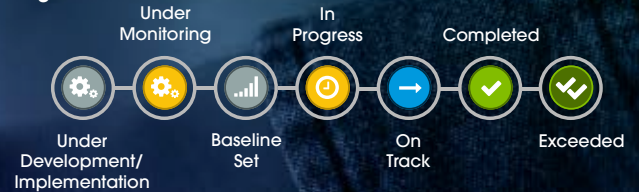


Implement In-person Training on CoBCE



Increase CoBCE Training Completion

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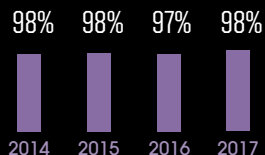


CODE OF BUSINESS CONDUCT AND ETHICS

The Code serves as the foundation of our Ethics and Compliance program and is endorsed by executive management and the Flex Board of Directors. It details the values, standards and responsibilities that help guide our behavior and decision-making processes. It also outlines each employee's resources to report suspected ethical violations and reinforces our open-door and anti-retaliation policies. The Code is available in 16 languages and is accessible on our internal and external websites. Learn more at: <https://flex.com/about/sustainability/integrity>

KEY PERFORMANCE INDICATORS

% of Employees Completing Code of Business Conduct and Ethics Online Training¹



% of In-person Training on Code of Conduct Training Completion



ETHICS AND COMPLIANCE ORGANIZATION

Corporate Ethics and Compliance at Flex links compliance activities and teams through a common management system designed to embed compliance throughout the Company. We work together to identify risks and prevent violations of company policy, regulatory requirements and laws while promoting a positive culture where employees feel empowered to report issues and have confidence in the process. The Ethics and 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 responsible 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. We have moved beyond regulatory alignment and achieve ethics and compliance objectives through multiple channels with a broad, holistic approach. Our program is more than the sum of our parts; it fosters our culture of compliance.

CULTURE OF COMPLIANCE

We have built a culture of ethics and compliance at Flex. Our robust Ethics and Compliance program allows employees to feel safe and comfortable raising issues and questions, with confidence in the investigation and remediation process. Our CEO and senior management regularly distribute messages on business ethics and compliance to employees. In 2017, we provided Tone-at-the-Top Training at our highest risk sites and have now trained 66 sites through this initiative. The live training was

conducted by our Chief Ethics and Compliance Officer and VP, Audit and Risk Management, to site leaders and management to provide each site with background and information on the compliance process, key issues, investigations and remediation. We conduct regular internal audits, and we maintain metrics around compliance to continuously benchmark and improve our results. Flex has an internal Ethics and Compliance program website and a quarterly newsletter, where we promote awareness of the top issues, program and policies. We periodically send out surveys to employees throughout the world to assess our culture and inform our training plan and key topics. All employees complete training annually on key compliance issues. Officers and senior managers also certify that they have processes in place to support the company's Ethics and Compliance program. In addition to online training, we provide in-person training in a variety of forums, including leadership conferences, regional and corporate staff meetings and site-level trainings. Our program develops, nurtures, and maintains our positive organizational culture.

RAISING CONCERNS

Flex provides a variety of channels for employees and third parties to report concerns or suspected ethical violations, including by phone, email, web and direct communication to management, Human Resources or Flex Legal. Our confidential hotline reporting system is available seven days a week, 24 hours a day, in multiple languages via toll-free numbers or the web. Reports can be made anonymously, and our hotline system allows for anonymous reporters to engage with investigators without revealing their identity. We recognize the courage it takes to come forward and raise an issue and will do all that we are able to communicate with the reporter and ensure they have confidence the issue will be addressed and remediated as necessary.

In 2017, we received approximately 1,100 reports covering a variety of issues. In some cases, the Ethics and Compliance group provided guidance and took immediate action. In other cases, a review or investigation was required. We have a cross-functional team from Brand Protection & Security, Human Resources, Internal Audit and Legal who investigate allegations. We follow a formal, consistent method for addressing alleged violations and complaints and direct them to the appropriate functional area for investigation and remediation. Allegations that are substantiated result in some form of disciplinary action, including counseling, training or warning letters, or in some cases dismissal from the company. Resolution may also involve changes to internal processes or policies to prevent further occurrence.

All cases are tracked from reporting to closure, and Executive Management and the Audit Committee of the Board of Directors are provided a quarterly report of activity. The report includes information about the number of matters reported, the primary issues, closure metrics and disciplinary actions.

ETHICAL BUSINESS PRACTICES

At Flex, we are committed to operating with integrity. We have a strong commitment to observing anti-corruption and other compliance laws in the countries where we operate. We prohibit bribes or kickbacks of any kind, whether in the public or private sector. We have a robust diligence process to vet third-party representatives, potential merger and acquisition targets, suppliers and other key associates and supply chain partners to help ensure that we only engage with legitimate parties that have a reputation for integrity. Our commitment to operate with integrity includes not only compliance with applicable laws and regulations, but also ensuring our business enhances the lives of our employees and the communities in which we operate.

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

SUPPLY CHAIN

Enhancing our value chain for positive socio-economic and environmental impacts.

Flex is committed to continuously monitoring our supply chain to ensure its compliance with our social and environmental standards; these are included in the Flex supplier training which aligns with Responsible Business Alliance (RBA) standards. We require our suppliers to have a management system in place to ensure the continuity and effectiveness of their social and environmental activities, and to mitigate potential risks. Our aim is to leverage the magnitude of our supply chain to make a positive impact in our industry and communities.

KEY HIGHLIGHTS 2017

720

We screened 720 suppliers using a new tool provided by the RBA that integrates global risk analytics.

20%

Our supplier due diligence assessment increased 20% compared to the previous year, totaling 1,150 completed social and environmental assessments.

41

We have now trained and certified 41 Flex social and environmental supplier auditors, a 20.5% increase from the previous year.

54,783

We continually collected and monitored 54,783 workers' working-hour records in the past year.

11

We assessed 11 Flex labor agents in 2017.

FLEX 20 BY 2020 PROGRESS STATUS

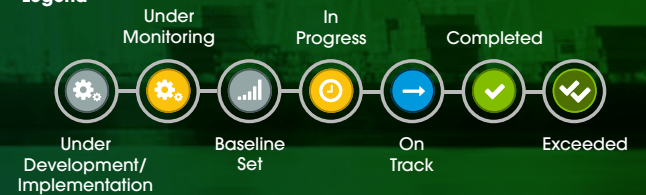


Increase Social and Environmental Supplier Training



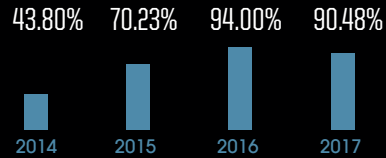
Increase Supplier Screening on Social and Environmental Criteria

Legend

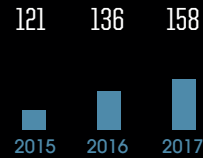


KEY PERFORMANCE INDICATORS

% of New Suppliers Screened Using Social and Environmental Criteria¹



Number of Suppliers Trained on Social and Environmental / RBA Requirements



ON-SITE AUDITS

During the 2017 calendar year, we conducted 101 initial on-site audits and 68 follow-up audits focused on suppliers located in high-risk regions. These audits were conducted using our Flex Supplier Assessment Questionnaire (SAQ), which includes a social and environmental assessment based on the RBA Code of Conduct.

The assessment includes five sections: Labor, Ethics, Health and Safety, Environmental, and Management Systems. These on-site audits identified excessive working hours as the most common supplier social responsibility issue.

WORKING HOURS IMPROVEMENT PROGRAM

As of 2013, Flex requests our suppliers' collaboration on reporting their employees' monthly working hours to help us monitor and improve working conditions. To date, 94 of our suppliers in China report their working hour data monthly; 55 of these suppliers have submitted the monthly report for a full 1-year cycle. This past year, 54,783 workers' working-hour records were continually collected and monitored. Records showing excessive working hours are highlighted and suppliers are required to provide corrective action to ensure improvement in subsequent months.

With this approach, we succeeded in reducing excessive working hours for all participating suppliers. 56% of suppliers audited on-site for improvement verification of excessive working hours corrected the issue to meet RBA standards.

After monitoring suppliers' progress by collecting and reviewing 12 months of working-hours data, verification

audits determine whether the suppliers have limited working hours to meet RBA standards. Suppliers failing to meet monthly reporting standards or not achieving the committed improvement plan are identified as a high-risk supplier. Flex will review the supplier risk and take appropriate action, which may include terminating the business relationship.

ON-SITE SOCIAL & ENVIRONMENTAL RESPONSIBILITY TRAINING FOR SUPPLIERS PROGRAM

One way we convey our requirements to suppliers is through on-site social and environmental training, which also provides an opportunity for both Flex and our suppliers to meet face to face for information sharing and discussion.

In 2017, we held an on-site supplier training at our Flex Zhuhai campus. During the training, we outlined the Flex social and environmental expectations for suppliers, Flex Supply Chain Social and Environmental Management Program, and the updated RBA standards. Flex and our suppliers shared best practices on social and environmental management with the group. Since 2010, more than 2,500 personnel, representing nearly 600 suppliers have been trained on the Flex/RBA social and environmental standards.

LABOR AGENT ASSESSMENT PROJECT

To ensure we have an ethical supply chain, we assess not only material suppliers, but also labor agents. We have performed social and environmental on-site audits on our major labor agents in China since 2015. We have extended these audits to Malaysia, India, Indonesia, Brazil, and Thailand. Eleven Flex labor agents were assessed in 2017. Flex only conducts business with approved labor agents based on audit results.



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

GRI STANDARDS

We align our sustainability reporting to GRI Standards* and the Global Goals.

GRI SECTION	GRI DISCLOSURES	SUMMARY	SUSTAINABILITY WEBSITE LINKS
General Disclosures	» From 102-1 to 102-18 » From 102-40 to 102-56	CEO message, About Flex	Company overview, Industry expertise, FY18 annual report, CEO message, Key performance indicators (People), Flex investor website and 10K report, Values at Flex, Integrity, Corporate governance, Sustainability governance structure, Stakeholder engagement, Flex CDP climate change response, The precautionary principle
Management Approach	» From 103-1-a to 103-1-c » 103-3	Sustainability Strategy	Stakeholder engagement (Materiality assessment, significant topics within Flex), Management system
Economic Performance	» 103-2, 201-1, 201-2	About Flex	FY18 annual report, Flex investor website and 10K report, Flex CDP climate change response
Market Presence	» 103-2, 202-1	About Flex	Talent development
Procurement Practices	» 103-2, 204-1	Supply Chain	Procurement practices, Key performance indicators (Supply Chain)
Anti-Corruption	» 103-2, 205-2	Integrity	Key performance indicators (Integrity), Flex 20 by 2020, Integrity
Energy	» 103-2, 302-1	Environment Innovation	Flex Pledge: our social and environmental management system, Environment, See Flex CDP climate change response, Key performance indicators (Environment), Environmental innovation, Flex 20 by 2020
Water	» 103-2, 303-1, 303-3	Environment	Flex Pledge: our social and environmental management system, Environment, Key performance indicators (Environment), Environmental innovation, Flex 20 by 2020
Emissions	» 103-2, 305-1, 305-2, 305-3	Environment Innovation	Flex Pledge: our social and environmental management system, Environment, Key performance indicators (Environment), Environmental innovation, Flex 20 by 2020
Effluents and Waste	» 103-2, 306-1, 306-2	Environment	Flex Pledge: our social and environmental management system, Environment, Key performance indicators (Environment), Flex 20 by 2020
Supplier Environmental Assessment	» 103-2, 308-1	Supply Chain	Sustainable supply chain, Key performance indicators (Supply Chain)
Occupational Health and Safety	» 103-2, 403-2	People	People, Key performance indicators (People), Flex 20 by 2020
Training and Education	» 103-2, 404-1, 404-3	People	People, Flex 20 by 2020, Key performance indicators (People)
Forced and Compulsory Labor	» 103-2, 409-1	People	Flex response, People, Labor and human rights
Local Communities	» 103-2, 413-1	Community	Community, Key performance indicators (Community), Flex 20 by 2020
Supplier Social Assessment	» 103-2, 414-1	Supply Chain	Sustainable Supply Chain, Key performance indicators (Supply Chain)

* All disclosures used in the GRI Content Index correspond to the GRI Standards of 2016. This is the simplified version, please consult our full GRI Content Index available online.

SUSTAINABLE DEVELOPMENT GOALS

We support and contribute to achieving the following SDGs. Our GRI Standards Report outlines our alignment to each.

SUSTAINABLE DEVELOPMENT GOAL

ALIGNMENT

	Talent development
	FY18 annual report Flex investor website and 10K report
	Key performance indicators (People and Environment) Environmental Innovation
	Key performance indicators (People)
	FY18 annual report Flex investor website and 10K report Talent development Key performance indicators (People and Supply Chain)
	Key performance indicators (Environment) Environmental Innovation
	FY18 annual report Flex investor website and 10K report Flex CDP climate change response Key performance indicators (Environment) Environment Environmental Innovation

SUSTAINABLE DEVELOPMENT GOAL

ALIGNMENT

	Key performance indicators (People, Environment and Supply Chain) FY18 annual report Flex investor website and 10K report Talent development Flex CDP climate change response Environmental Innovation Labor and human rights
	FY18 annual report Flex investor website and 10K report
	Procurement practices Key performance indicators (Supply Chain and Environment) Flex CDP climate change response Environmental Innovation
	Flex CDP climate change response Environmental Innovation
	Key performance indicators (Environment) Environmental Innovation
	Key performance indicators (Environment) Environmental Innovation
	Values at Flex Integrity Key performance indicators (Integrity and Supply Chain)

The UN SDG Alignment was carried out based on the GRI, WBCSD and UN Global Compact: [SDG Compass - Linking the SDGs and GRI](#), which was released on October 2016. Our [GRI Content Index](#) links the relevant indicators and disclosures to the applicable Sustainable Development Goals (SDGs).

