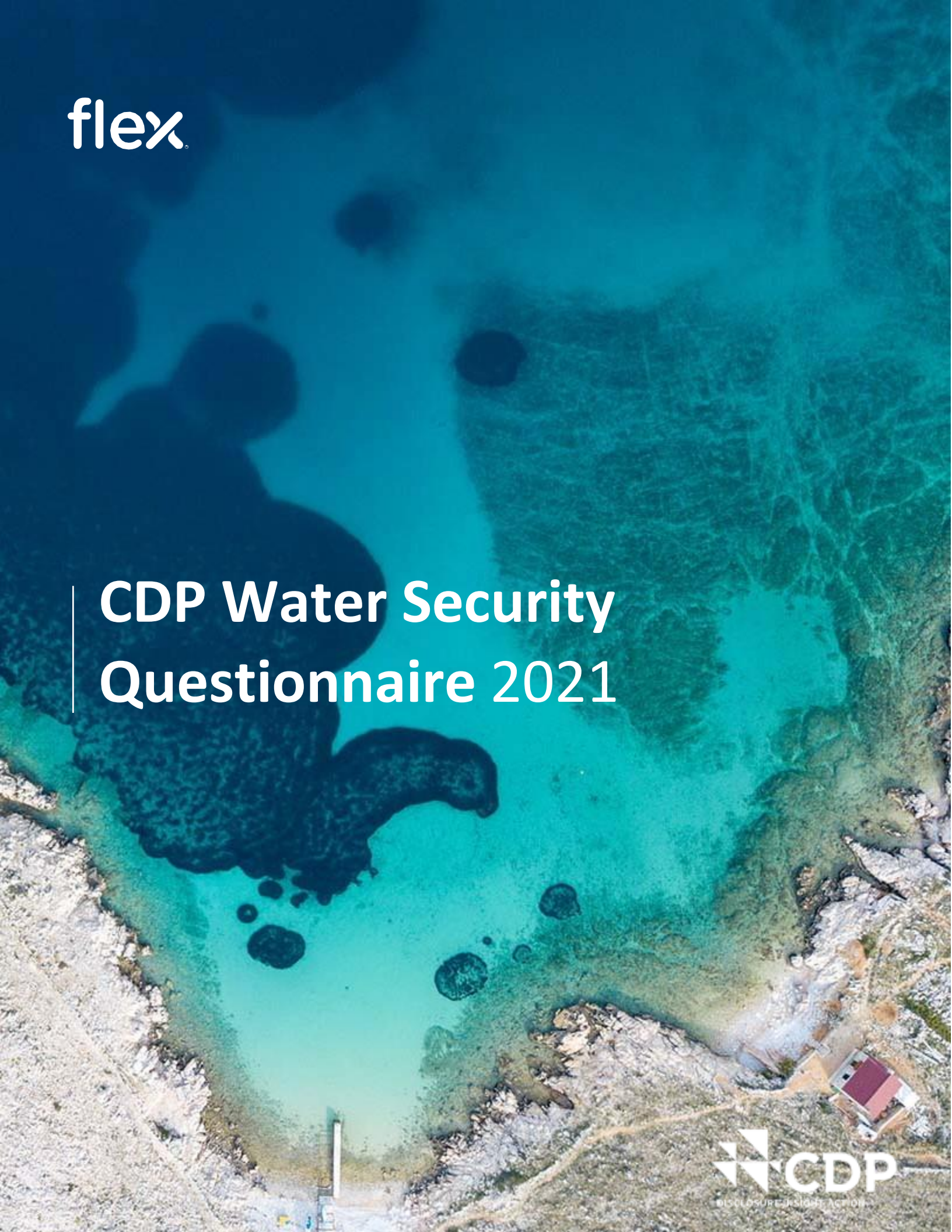

CDP Water Security Questionnaire 2021

CDP Water Security 2021

Contents

W0. Introduction

W0.1

(W0.1) Give a general description of and introduction to your organization.

We are the manufacturing partner of choice that helps a diverse customer base design and build products that improve the world. Through the collective strength of a global workforce across 30 countries and responsible, sustainable operations, we deliver technology innovation, supply chain and manufacturing solutions to diverse industries and end markets, including automotive, communications, energy, healthcare, and industrial, among others.

Sustainability including environmental, social and governance (ESG) have always been a core part of how we operate as a responsible manufacturer. Our long-term strategy, purpose statement, vision, mission and values reinforce our duty to positively contribute to the world, from designing and building our customers' products to continuously improving our day-to-day operations. Our advancement of sustainability includes aligning efforts with global initiatives to ensure progress across our footprint and beyond our four walls. We are a participant in the world's largest sustainability initiative, the UN Global Compact, and in 2021, we reached the Global Compact's advanced level for second year in a row.

Our sustainability efforts have gained recognition from several organizations, including the Manufacturing Leadership Awards, Responsible Business Alliance, Frost and Sullivan and EcoVadis, a provider of CSR Ratings and Scorecards that awarded us the "Platinum Recognition Level." We achieved the highest disclosure and transparency score on ESG factors, recognized by the Institutional Shareholder Services Inc. (ISS), and received the Prime status in 2020. For the fifth consecutive year, we are a constituent of the FTSE4Good Index. Most recently and for the second year in a row, we qualified for inclusion in the S&P's Sustainability Yearbook. We were named to CDP's prestigious A list for water security, a historic first for Flex, and received an A- for climate change in 2020.

The value we bring and the progress we make toward a more sustainable future are enabled by our ~160,000 employees, who are committed to doing the right thing always for our customers, colleagues, shareholders and communities. We believe that a sustainable approach is not only essential to our business, but also the environment and our broader communities where we live and work. Our sustainability and ESG strategy and efforts identify our commitment to sustainable development across our framework that focuses on the world, our people and our approach to doing business. Our framework encompasses several pillars, including the environment, community, health and safety, inclusion and diversity, labor practices, suppliers, customers, ethics and governance. Our framework supports our 2030 goals and forms the foundation of global and local initiatives that continually inspire us to improve our corporate citizenship and workplace performance.

As our sustainability and ESG journey continues toward our 2030 goals, we remain focused on operating a responsible business, meeting the needs of all our stakeholders and delivering meaningful impact in our many communities as a trusted manufacturing partner, employer and investment of choice.

W0.2

(W0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date
Reporting year	January 1 2020	December 31 2020

W0.3

(W0.3) Select the countries/areas for which you will be supplying data.

China
Malaysia
Mexico
United States of America

W0.4

(W0.4) Select the currency used for all financial information disclosed throughout your response.

USD

W0.5

(W0.5) Select the option that best describes the reporting boundary for companies, entities, or groups for which water impacts on your business are being reported.

Companies, entities or groups over which operational control is exercised

W0.6

(W0.6) Within this boundary, are there any geographies, facilities, water aspects, or other exclusions from your disclosure?

No

W1. Current state

W1.1

(W1.1) Rate the importance (current and future) of water quality and water quantity to the success of your business.

	Direct use importance rating	Indirect use importance rating	Please explain
Sufficient amounts of good quality freshwater available for use	Important	Important	Direct use: The primary use for good quality freshwater in our direct operations is for sanitation and drinking water. In our manufacturing operations, freshwater is also used for rinsing parts in our painting lines, cleaning, HVAC and cooling water. This is important to our business, because access to an affordable, reliable and adequate freshwater supply is required across our operations to meet customer needs. While our business is not water intensive, some of our operations are in water-stressed areas, and we are increasingly utilizing water management practices to reduce our freshwater withdrawals. For example, in recent years, we reduced our monthly water withdrawal costs by over 40% by replacing broken fixtures, installing self-shutting faucets, and through an awareness campaign at our Cebu Design Center. We also made upgrades to a wastewater treatment facility at our Austin site to increase its annual recycling capacity to 75 million cubic meters of water. In 2020, we saw significant reductions in water consumption by installing self-close water taps in the restrooms and canteen in our Skudai site. By piloting wastewater treatment systems and reducing freshwater water withdrawals in our direct operations, we anticipate our future dependency on freshwater to decrease. Indirect use: The primary use of freshwater in our indirect operations is for supplier manufacturing, sanitation, and drinking water. Supplier access to an affordable, reliable and adequate freshwater supply is important to the success of our business because it is required to meet customer needs. In 2020, we included questions specific to water management in our Supplier Assessment Questionnaire to better understand how our suppliers address water management issues. We do not anticipate future freshwater dependency among our suppliers to change because we do not anticipate their potable water needs will change.
Sufficient amounts of recycled, brackish and/or produced water available for use	Important	Important	Direct use: The primary use for non-freshwater in our direct operations is for irrigation and cooling. This is important for our business because we have a select number of facilities that depend on recycled water as the primary water source. For example, in 2020, we focused our efforts towards assessing opportunities for water recycling, evaluating new technologies that can withdraw water from the air for use in our operations. We are excited to continue exploring new ways to decrease our water withdrawal. We invested in CAPEX 151,000usd on water efficiency projects in 2020. For example, at our Chengdu facility we implemented an injection workshop cooling water system instead of an open loop system. Since the water evaporation capacity is very large in summer, the changes for the closed cycle greatly reduce the external interface of water, reducing water evaporation. Also, at our Aguascalientes facility we changed the usage of ground water for our gardens and now we are using recycled water only. We anticipate our future non-freshwater dependency to increase as we continue to invest in reclaimed water systems and purchase recycled water from third-party suppliers. Indirect use: The primary use of non-freshwater in our indirect operations is for supplier product manufacturing, global logistics, as well as cleaning, irrigation, and cooling. This is important for our supplier activities, as it reduces our suppliers' dependency on good quality freshwater, which is becoming an increasingly valuable and scarce resource. We anticipate future dependency on non-freshwater among our suppliers to increase as customer requests help drive water conservation activities and suppliers continue to invest in reclaimed water systems.

W1.2

(W1.2) Across all your operations, what proportion of the following water aspects are regularly measured and monitored?

	% of sites/facilities/operations	Please explain
Water withdrawals – total volumes	100%	Water withdrawals are quantified for 100% of sites within our operational control. For the vast majority of our sites, the method of measurement for water withdrawals is based on actual water bills/invoices and/or water meter records. Sites report data on a monthly basis, and a regional group validates, reviews, and approves the data. When actual water invoices are not available, we estimate water withdrawals based on the size and type of site. In 2020, 95% of our total water withdrawals was based on actual water invoices.
Water withdrawals – volumes by source	100%	Water withdrawals by source are quantified for 100% of sites within our operational control. For the vast majority of our sites, the method of measurement for water withdrawals is based on actual water invoices received monthly or quarterly. Water invoices and total water withdrawals are reviewed annually. When actual water invoices are not available, we estimate water withdrawals based on the size and type of site. In 2020, 95% of our total water withdrawals was based on actual water invoices. We monitor all of our water withdrawals by source when actual invoice data is available. We assume that all estimated water is withdrawn from third party sources.
Entrained water associated with your metals & mining sector activities - total volumes [only metals and mining sector]	<Not Applicable>	<Not Applicable>
Produced water associated with your oil & gas sector activities - total volumes [only oil and gas sector]	<Not Applicable>	<Not Applicable>
Water withdrawals quality	100%	The quality of water withdrawals is monitored for 100% of our sites, primarily through our water utilities. We rely upon our utilities to provide suitable quality water. For the vast majority of our sites, 95% in 2020, the method of measurement for water withdrawals is based on actual water bills/invoices and/or water meter records. Sites report this data on a monthly basis, and a regional group validates, reviews, and approves the data. When actual water invoices are not available, we estimate water withdrawals based on the size and type of site.
Water discharges – total volumes	100%	Water discharges are monitored for 100% of our sites within our operational control. Sites report this data annually based on site-specific estimation as the method of measurement. When site-specific estimation for discharges is not available, discharges are assumed to be equal to withdrawals.

Water discharges – volumes by destination	100%	Water discharges by destination are monitored for 100% of our sites within our operational control. Sites report this data annually based on site-specific estimation as the method of measurement. When site-specific estimation for discharges is not available, discharges are assumed to be equal to withdrawals. The vast majority of our water discharge is to municipal/local off-site/common treatment facilities.
Water discharges – volumes by treatment method	1-25	We comply with our internal and external stakeholders' requests at the local and global level. Some of our sites have wastewater discharge permits requiring pre-treatment of industrial waste. Those sites perform monitoring as required by their permits (wither specific or general) and submit self-monitoring reports. In some cases, the local authorities also take samples for compliance purposes. The vast majority of our water discharge is to municipal/local off-site/common treatment facilities.
Water discharge quality – by standard effluent parameters	1-25	We comply with our internal and external stakeholders' requests at the local and global level. Some of our sites have wastewater discharge permits requiring pre-treatment of industrial waste. At these sites we perform monitoring as required by our permits (whether specific or general) and submit self-monitoring reports; in some cases, the local authorities also take samples for compliance purposes. The vast majority of our water discharge is to municipal/local off-site/common treatment facilities.
Water discharge quality – temperature	Not relevant	We do not run thermal processes; therefore, none of our sites are monitoring water discharge temperature. We do not expect this to be relevant in the future since we do not anticipate changing our business practices.
Water consumption – total volume	100%	Water consumption is monitored for 100% of our sites within our operational control. Water consumption is calculated by subtracting water discharge from water withdrawals as the method of measurement. Sites report on water withdrawal monthly and water discharge annually.
Water recycled/reused	100%	Water recycled/reused is monitored for 100% of our sites. Sites report this data on a monthly basis based on the rainwater catchment and water treatment system's readings as the method of measurement, and a regional group validates, reviews, and approves the data.
The provision of fully-functioning, safely managed WASH services to all workers	100%	We provide fully functioning water, sanitation, and hygiene (WASH) services to all employees at 100% of our sites. As part of our daily custodial services, WASH services are monitored daily (frequency of measurement). WASH services are also cleaned daily (method of measurement). We comply with our internal and external stakeholders' requests locally and globally. We have dormitory, kitchen and cafeteria water standards. We require that each dormitory floor provides clean and safe drinking water and access to a hot water supply. All food preparation must be done with potable water. To recognize the importance of access to WASH, Flex signed the World Business Council for Sustainable Development (WBCSD) Pledge for Access to Safe Water, Sanitation and Hygiene at the Workplace in 2019. This pledge was made to commit to implementing access to safe water, sanitation, and hygiene at the workplace at an appropriate level of standard for all employees in all premises under our direct control.

W1.2b

(W1.2b) What are the total volumes of water withdrawn, discharged, and consumed across all your operations, and how do these volumes compare to the previous reporting year?

	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Total withdrawals	5602	Lower	In 2020, total water withdrawals were 5,602 megaliters. Water withdrawals decreased 17% from 2019 to 2020 because of water efficiency measures and changes in production in 2020, leading to less water withdrawn. We consider any decrease in water withdrawals, consumption, or discharges of 10-25% to be "lower" than the prior year. We anticipate future volumes to remain about the same since we do not anticipate major changes in our business. Total withdrawals equal the sum of total discharges and total consumption (W = D + C), because discharges are estimated to be total withdrawals minus total consumption.
Total discharges	4054	Lower	In 2020, total water discharges were 4,054 megaliters. Water discharges decreased 24% from 2019 to 2020 because of water efficiency measures and changes in production in 2020, leading to less water discharged. We consider any decrease in water withdrawals, consumption, or discharges of 10-25% to be "lower" than the prior year. We anticipate future volumes to continue to remain about the same as in 2019 because we do not anticipate major changes in our business. Total discharges equal total withdrawals minus total consumption (D = W – C), because discharges are estimated to be total withdrawals minus total consumption.
Total consumption	1548	About the same	In 2020, total water consumption was 1,548 megaliters. Water consumption increased 7% from 2019 to 2020 because of a decrease in water withdrawals over this period due to water efficiency measures and changes in production in 2020. Total consumption equals the sum of total withdrawals minus the sum of total discharges (C = W - D), because consumption is estimated to be total withdrawals minus total discharges. Therefore, a decrease in water withdrawals will lead to a decrease in water consumption. We consider any change in water withdrawals, consumption, or discharges of less than 10% to be "about the same" as the prior year. We anticipate future volumes to remain about the same since we do not anticipate major changes in our business.

W1.2d

(W1.2d) Indicate whether water is withdrawn from areas with water stress and provide the proportion.

	Withdrawals are from areas with water stress	% withdrawn from areas with water stress	Comparison with previous reporting year	Identification tool	Please explain
Row 1	Yes	26-50	About the same	WRI Aqueduct	To identify sites with water stress, we entered the location of all our facilities across the globe in the WRI Aqueduct 3.0 water risk assessment tool. As part of our annual water risk analysis, we evaluate locations that (1) are potentially exposed to high or extremely high risk to drought, flood or baseline water stress and (2) represent more than 2% of our global sales. In 2020, we concluded that some of our facilities that consume the largest percentage of water are located in water stressed regions. When comparing with the previous reporting year: we found that the percent of locations stayed about the same. This is due to a similar facility list and similar amount of water withdrawn at our facilities in 2019 and 2020. We consider any change in water withdrawals of less than 10% to be "about the same" as the prior year.

W1.2h

(W1.2h) Provide total water withdrawal data by source.

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Fresh surface water, including rainwater, water from wetlands, rivers, and lakes	Relevant	0.3	About the same	Fresh surface water is relevant to Flex because Flex withdraws rainwater at a facility in Turkey, making up less than 1% of total withdrawals. In 2020, we withdrew 0.3 megaliters from this source, which is the same compared to 2019. Water withdrawals from fresh surface water have not changed significantly from 2019 because our operations at our facility in Turkey have not changed significantly from 2019. We consider any change in water withdrawals of less than 10% to be “about the same” as the prior year.
Brackish surface water/Seawater	Not relevant	<Not Applicable>	<Not Applicable>	Water from brackish surface water/seawater is not relevant because Flex withdraws 0% of its water from this source. Less than 1% of water withdrawals are from fresh surface water, 13% are from renewable groundwater, and 83% are from third party sources. As Flex has not used this water withdrawal source in prior years, the volume of zero megaliters is the same as prior years. We consider any change in water withdrawals, consumption, or discharges of less than 10% to be “about the same” as the prior year. We anticipate future volumes to remain about the same since we do not anticipate major changes in our business.
Groundwater – renewable	Relevant	743.7	Lower	Renewable groundwater is relevant to Flex because renewable groundwater makes up 13% of our total withdrawals. In 2020, we withdrew 743.7 megaliters from this source, which is 13% lower compared to 2019. Water withdrawals from renewable groundwater are lower than 2019 due to water efficiency projects at our facilities which use renewable groundwater. We consider any change in water withdrawals, consumption, or discharges of 10-25% to be “lower" than the prior year.
Groundwater – non-renewable	Not relevant	<Not Applicable>	<Not Applicable>	Water from non-renewable groundwater is not relevant because Flex withdraws 0% of its water from this source. Less than 1% of water withdrawals are from fresh surface water, 13% are from renewable groundwater, and 83% are from third party sources. As Flex has not used this water withdrawal source in prior years, the volume of zero megaliters is the same as prior years. We consider any change in water withdrawals, consumption, or discharges of less than 10% to be “about the same” as the prior year. We anticipate future volumes to remain about the same since we do not anticipate major changes in our business.
Produced/Entrained water	Not relevant	<Not Applicable>	<Not Applicable>	Water from produced/process is not relevant because Flex withdraws 0% of its water from this source. Less than 1% of water withdrawals are from fresh surface water, 13% are from renewable groundwater, and 83% are from third party sources. As Flex has not used this water withdrawal source in prior years, the volume of zero megaliters is the same as prior years. We consider any change in water withdrawals, consumption, or discharges of less than 10% to be “about the same” as the prior year. We anticipate future volumes to remain about the same since we do not anticipate major changes in our business.
Third party sources	Relevant	4858	Lower	Water from third party sources is relevant to Flex because water from third party sources makes up 87% of our total withdrawals. In 2020, we withdrew 4,858 megaliters from this source, which is 18% lower compared to 2019. Water withdrawals from third party sources are lower than 2019 due to water efficiency projects at our facilities which use third party sources. We consider any change in water withdrawals, consumption, or discharges of 10-25% to be “lower" than the prior year.

W1.2i

(W1.2i) Provide total water discharge data by destination.

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Fresh surface water	Relevant	98	About the same	Discharges to fresh surface water is relevant to Flex because about 2% of Flex discharges are to surface waters. In 2020, we discharged 98 megaliters to fresh surface waters, leading to a 6% increase compared to 2019. Water discharges to fresh surface water are about the same to 2019 because our facilities that discharge to fresh surface water did not significantly change operations in 2020 compared to 2019. We consider any change in water withdrawals, consumption, or discharges of less than 10% to be “about the same” as the prior year. We anticipate future volumes to remain about the same since we do not anticipate major changes in our business.
Brackish surface water/seawater	Not relevant	<Not Applicable>	<Not Applicable>	Water discharges to brackish surface water/seawater is not relevant because Flex discharges 0% of its water to this source. 2% of water discharges are to fresh surface water, and 98% are to third-party sources. As Flex has not used this water discharge destination in prior years, the volume of zero megaliters is the same as prior years. We consider any change in water withdrawals, consumption, or discharges of less than 10% to be “about the same” as the prior year. We anticipate future volumes to remain about the same since we do not anticipate major changes in our business.
Groundwater	Not relevant	<Not Applicable>	<Not Applicable>	Water discharges to groundwater is not relevant because Flex discharges 0% of its water to this source. 2% of water discharges are to fresh surface water, and 98% are to third-party sources. As Flex has not used this water discharge destination in prior years, the volume of zero megaliters is the same as prior years. We consider any change in water withdrawals, consumption, or discharges of less than 10% to be “about the same” as the prior year. We anticipate future volumes to remain about the same since we do not anticipate major changes in our business.
Third-party destinations	Relevant	3956	Lower	Discharges to third-party sources is relevant to Flex because about 98% of Flex discharges are to third-party sources. In 2020, we discharged 3.956 megaliters to third-party sources, leading to a 25% decrease compared to 2019. Water discharges to third-party destinations are lower than 2019 due to water efficiency projects at our facilities which discharge to third-party destinations. We consider any change in water withdrawals, consumption, or discharges of 10-25% to be “lower" than the prior year. We anticipate future volumes to remain about the same since we do not anticipate major changes in our business.

W1.2j

(W1.2j) Within your direct operations, indicate the highest level(s) to which you treat your discharge.

	Relevance of treatment level to discharge	Volume (megaliters/year)	Comparison of treated volume with previous reporting year	% of your sites/facilities/operations this volume applies to	Please explain
Tertiary treatment	Please select	<Not Applicable>	<Not Applicable>	<Not Applicable>	
Secondary treatment	Please select	<Not Applicable>	<Not Applicable>	<Not Applicable>	
Primary treatment only	Please select	<Not Applicable>	<Not Applicable>	<Not Applicable>	
Discharge to the natural environment without treatment	Please select	<Not Applicable>	<Not Applicable>	<Not Applicable>	
Discharge to a third party without treatment	Please select	<Not Applicable>	<Not Applicable>	<Not Applicable>	
Other	Please select	<Not Applicable>	<Not Applicable>	<Not Applicable>	

W1.4

(W1.4) Do you engage with your value chain on water-related issues?

Yes, our suppliers

Yes, our customers or other value chain partners

W1.4a

(W1.4a) What proportion of suppliers do you request to report on their water use, risks and/or management information and what proportion of your procurement spend does this represent?

Row 1

% of suppliers by number

1-25

% of total procurement spend

51-75

Rationale for this coverage

Our worldwide supply chain embraces roughly 16,000 direct, indirect and vertically integrated suppliers, most of whom are controlled by our customers. We focus our engagement on our top suppliers by spend included in our Preferred Supplier Program (PSP). We have selected these suppliers because we have strong relationships with them and will likely be able to influence their behavior on water-related issues. In 2020, there were 492 suppliers in our PSP, of which 98% have been assessed via our Self-Assessment Questionnaire (SAQ). Flex's supplier SAQ contains questions related to the measurement, monitoring and existence of systems to reduce impacts from water use, discharge, air emissions (e.g., VOCs, ozone depleting substances, GHG emissions), energy use, waste, and hazardous materials. We incentivize global PSP suppliers through a Preferred Supplier Awards program. The awards recognize outstanding performance, strategic value-add, excellent service, innovation and collaboration.

Impact of the engagement and measures of success

To be included in our PSP, suppliers must implement policies to ensure compliance with our Supplier Code of Conduct and be approved via our qualification process which covers an evaluation of business, quality systems, operations, engineering, environmental compliance, supply chain security, social and environmental responsibilities, and lean concepts. For example, suppliers in Flex's PSP measure, monitor and have systems in place to reduce water, discharge, emissions, energy, waste, and hazardous materials. We collect this information and use it to determine if to include a supplier in our PSP and whether they are eligible for our PSP Awards. PSP suppliers must complete our SAQ so we can validate their commitment to supporting the standards of environmental, social, and ethical issues. Flex measures of success: (1) % of PSP suppliers assessed, (2) % spend with PSP suppliers, (3) # suppliers completing SAQ, (4) # initial audits conducted, (5) # follow-up audits conducted.

Comment

All suppliers must (1) implement appropriate and effective policies to ensure compliance with our Supplier Code of Conduct, which aligns with the Responsible Business Alliance Code of Conduct and (2) be approved via our supplier qualification process which covers several key elements, including business, quality systems, operations, engineering /design, product/ process environmental compliance, supply chain security, corporate social and environmental responsibilities, and lean concepts.

W1.4b

(W1.4b) Provide details of any other water-related supplier engagement activity.

Type of engagement

Onboarding & compliance

Details of engagement

Requirement to adhere to our code of conduct regarding water stewardship and management

% of suppliers by number

76-100

% of total procurement spend

76-100

Rationale for the coverage of your engagement

While conducting business with or on behalf of Flex, our suppliers and our employees, agents, and subcontractors must understand and adhere to our Supplier Code of Conduct ("Code") which is based on ISO 14001 and the Eco Management and Audit System (EMAS) and is aligned with the with Responsible Business Alliance (RBA)

standards. We expect all our suppliers to implement appropriate and effective policies to ensure compliance with the code and all relevant laws and regulations. The code applies to all suppliers including, but not limited to, those engaged in: • Manufacturing products, packaging, parts, components, subassemblies, materials or otherwise involved in processes related to any of the foregoing; and • Providing services to, or on behalf of Flex, regardless of type, location or duration. Adoption of compliance to the Responsible Business Alliance Code of Conduct ("RBA Code") is fundamental to the code. The RBA embodies a set of standards on social, environmental and ethical issues in the supply chain. Our standards exceed those of the RBA Code. We require additional compliance with respect to the social and environmental responsibility requirements.

Impact of the engagement and measures of success

We are continuously monitoring our supply chain to ensure its compliance with our social and environmental standards which exceed RBA standards. Through supplier trainings, onsite audits, screenings, self-assessment questionnaires we ensure the continuity and effectiveness of supplier social and environmental activities and mitigate potential risks. Beneficial outcomes include: (1) increased awareness and improved supplier reporting (2) supply chain resiliency, and (3) reduced supply chain risk. Flex's measures of success include: # suppliers screened using RBA tool, % increase in supplier due diligence assessments from previous year, # completed social and environmental assessments, # trained and certified Flex social and environmental supplier auditors and % increase from previous year, # Flex Labour agents assessed, # suppliers trained on social and environmental / RBA requirements, # new suppliers screened using social and environmental criteria, # onsite audits. In 2020, 637 new global suppliers were screened using RBA tool; there was a 26% increase in supplier due diligence assessments from previous year; 418 social and environmental assessments were completed; Flex trained and certified 58 social and environmental supplier auditors (a 12% increase from the previous year);, and 551 suppliers were trained on social and environmental / RBA requirements. Due to the COVID-19 pandemic, we halted our hiring through labor agencies in 2020, which decreased our usual number of agency audits. We also pivoted to conduct more of our supplier audits remotely. Throughout last year, we conducted 136 initial audits (including 62 remote and 74 onsite) and 64 follow-up audits (including 59 remote, 5 onsite) focused on suppliers located in high-risk regions.

Comment

Type of engagement

Innovation & collaboration

Details of engagement

Educate suppliers about water stewardship and collaboration

% of suppliers by number

1-25

% of total procurement spend

51-75

Rationale for the coverage of your engagement

We convey our requirements to suppliers through due diligence assessments, on-site audits, and social and environmental training. In 2020, our supplier due diligence assessments increased by 26% from 2019, totaling 2,500 completed social and environmental assessments. In 2020, we conducted 136 initial audits and 64 follow-up audits. Trainings provide a critical opportunity for us to strengthen our relationship with suppliers and further encourage innovation to reduce climate impacts In 2020, 1,153 attendees, representing 551 suppliers, received training on our social and environmental expectations for suppliers, our Supply Chain Social and Environmental Management Program, and the updated RBA standards, due to COVID-19 most of the training were conducted online. We selected these suppliers because they were (1) local to our campus, (2) represented a diverse cross-section of our supplier base, or (3) were labor agency suppliers.

Impact of the engagement and measures of success

We convey our requirements to suppliers through on-site social and environmental training. In 2020, Flex conducted an onsite training in Chennai, India and rest of the trainings were conducted online for Asia, Europe and Americas regions. We expanded our supplier training efforts to reach 551 suppliers and 1153 supplier personnel – nearly doubling the total number of suppliers that completed training since 2019. Beneficial outcomes of trainings include: (1) increased understanding of Flex social and environmental expectations for suppliers, our Supply Chain Social and Environmental Management Program, and the updated RBA standards and (2) sharing of best practices on social and environmental management, and (3) risk mitigation. Since 2010, more than 4,600 personnel, representing 1,489 suppliers have been trained on the Flex and RBA social and environmental standards. Flex measures of success include: # and type of suppliers trained, # of personnel trained, percent increase in suppliers trained from previous year, # locations where trainings were held, percent of supplier base covered by trainings, # due diligence assessments, # onsite audits, # follow-up audits, # new supplier screenings. In 2020, 1,153 personnel were trained, a 41% percent increase in suppliers trained from previous year. Chennai, India was the only on-site location where a training was held, due to COVID-19. We also conducted 418 due diligence assessments and 637 new global supplier screenings. Due to the COVID-19 pandemic, we halted our hiring through labor agencies in 2020, which decreased our usual number of agency audits. We also pivoted to conduct more of our supplier audits remotely. Throughout last year, we conducted 136 initial audits (including 62 remote and 74 onsite) and 64 follow-up audits (including 59 remote, 5 onsite) focused on suppliers located in high-risk regions.

Comment

W1.4c

(W1.4c) What is your organization's rationale and strategy for prioritizing engagements with customers or other partners in its value chain?

Flex values feedback and input from our internal and external stakeholders, which include, but are not limited to, employees, customers, shareholders, potential investors, suppliers, subcontractors, labor agents, governments/regulatory agencies, unions, Non-Governmental Organizations (NGOs) and industry associations. Based on stakeholder concern, we regularly update our materiality assessment and publish information based on requests for qualitative and quantitative sustainability information, including water withdrawal and water management. We use multiple communication channels to inform stakeholders, including written communication, meetings, tradeshows, regular and specialized reports, contracts, surveys, and other methods. Engagement may be daily, monthly, quarterly, annually or as needed to keep an open dialog with all stakeholders. We strive to incorporate our stakeholders' priorities into our business and corporate sustainability strategy. In 2020, materiality topics key to our stakeholders included energy, water, emissions, effluents and waste, working hours, working conditions, social and environmental supply chain management, integrity/ethics, company performance, regulatory compliance and adherence to RBA standards, among others. Each year, we publish our annual Sustainability Executive Report and online GRI content index to share information on our progress, including that on water usage. In 2020, we achieved an Ecovadis Platinum CSR Rating, and an "A" score for our CDP 2020 Water Security response. In 2020, for the fifth year in a row, we were a constituent of the FSTE4Good Index. These awards recognize our strong performance and oversight of environmental, social and governance issues. Flex measures of success include (1) frequency of engagement with our customers and other partners in our value chain, (2) # of tradeshows, events and conferences attended per year, (3) # of customer visits to Flex customer innovation centers.

W2. Business impacts

W2.1

(W2.1) Has your organization experienced any detrimental water-related impacts?

No

W2.2

(W2.2) In the reporting year, was your organization subject to any fines, enforcement orders, and/or other penalties for water-related regulatory violations?

No

W3. Procedures

W3.3

(W3.3) Does your organization undertake a water-related risk assessment?

Yes, water-related risks are assessed

W3.3a

(W3.3a) Select the options that best describe your procedures for identifying and assessing water-related risks.

Direct operations

Coverage

Full

Risk assessment procedure

Water risks are assessed as part of an enterprise risk management framework

Frequency of assessment

Annually

How far into the future are risks considered?

More than 6 years

Type of tools and methods used

Tools on the market
Enterprise Risk Management
International methodologies
Databases

Tools and methods used

WRI Aqueduct
Other, please specify (Internal company methods, external consultants, Responsible Business Alliance (RBA) Code of Conduct)

Comment

We require all our sites to adopt our social and environmental management system to identify, assess and manage water-related risks. We also conduct annual global water risk assessment using WRI Aqueduct. As part of this assessment, we identify which locations (1) are potentially exposed to high or extremely high risk to drought, flood or baseline water stress, and (2) represent more than 2% of our global sales. In 2020, we concluded that some of our facilities that consume the largest percentage of water are in water stressed regions. Results from operational risk assessments are reported quarterly to the VP of CREF and the Head of Sustainability and discussed with Audit and Risk Management Services (ARMS). Our annual ERM process includes input from compliance-area owners and interviews with senior management from across our business. Key risks are flagged by region and prioritized for mitigation based on impact and likelihood.

Supply chain

Coverage

Full

Risk assessment procedure

Water risks are assessed as part of an enterprise risk management framework

Frequency of assessment

Annually

How far into the future are risks considered?

More than 6 years

Type of tools and methods used

Tools on the market

International methodologies

Tools and methods used

Other, please specify (Responsible Business Alliance (RBA), Elevate Limited, Responsible Business Alliance Code of Conduct)

Comment

We require our suppliers to follow our Supplier Code of Conduct and have a management system in place to ensure the continuity and effectiveness of their social and environmental activities, and to mitigate potential risks. We convey our requirements to suppliers through due diligence assessments, on-site audits, and social and environmental training. In 2020, our supplier due diligence assessments increased by 26% from 2019, totalling almost 2,500 completed social and environmental assessments. We screen new suppliers by auditing health and safety, environmental, business ethics and management systems data, using Elevate Limited, a tool provided by the Responsible Business Association. In 2020, we conducted 136 initial on-site audits and 64 follow-up audits. In 2020, we included water-specific questions in our supplier self-assessment questionnaire to better understand how our suppliers measure and address their water-related risks and implement water management.

Other stages of the value chain

Coverage

Partial

Risk assessment procedure

Water risks are assessed as part of an enterprise risk management framework

Frequency of assessment

Annually

How far into the future are risks considered?

More than 6 years

Type of tools and methods used

Other

Tools and methods used

Other, please specify (Materiality assessment, onsite audits)

Comment

Flex values feedback and input from our internal and external stakeholders, including our employees, customers, shareholders, potential investors, suppliers, subcontractors, governments/regulatory agencies, unions, Non-Governmental Organizations and industry associations. We respond to all concerns identified during the engagement process, and every year, we update our materiality assessment based on requests for information from stakeholders. Other water-related engagements include our labour agent sustainability assessments. For example, we have performed social and environmental on-site audits on our major labor agents in China since 2015. Agents are approved or rejected as Flex partners with suppliers based on their audit results, and only approved agents are able to conduct business with our organization. The most common issues found during these audits are related to payroll accuracy and transparency. Due to the COVID-19 pandemic, we halted our hiring through labor agencies in 2020, which decreased our usual number of agency audits.

W3.3b

(W3.3b) Which of the following contextual issues are considered in your organization's water-related risk assessments?

	Relevance & inclusion	Please explain
Water availability at a basin/catchment level	Relevant, always included	Water availability at a basin/catchment level is relevant and always included in our water-related risk assessments because access to an affordable, reliable and adequate freshwater supply is critical to the success of our business and enables us to meet customer needs. The primary use of freshwater in our direct operations is for sanitation, drinking water, cooking, etc. In our manufacturing operations, freshwater is also used for rinsing parts in our painting lines, cleaning, HVAC and cooling water, etc. Assessment tools: (1) Internal company methods and (2) WRI Aqueduct water risk assessment. As part of our social and environmental management system, we require all sites to appoint a sustainability lead and working committee to represent their site. Our sustainability site leads, together with our local cross-functional working committee, is responsible for identifying and assessing the current drought conditions and the impacts of both historical and potential droughts. Our local committee must assess and determine if any local quality requirements apply to the site. Our team must also report findings to our regional Sustainability and Corporate Real Estate and Facilities (CREF) representatives. Our Sustainability team and CREF recommend operational and technical solutions to water-related issues and challenges. In addition, our corporate sustainability team and CREF conduct an annual global water risk assessment using WRI Aqueduct. As part of our annual water risk analysis, we evaluate locations that (1) are potentially exposed to high or extremely high risk to drought, flood or baseline water stress, and (2) represent more than 2% of our global sales. In 2020, we concluded that some of our facilities that consume the largest percentage of water are located in water stressed regions.
Water quality at a basin/catchment level	Relevant, always included	Water quality at a basin/catchment level is relevant and always included in our water-related risk assessments because access to an affordable, reliable and adequate freshwater supply is critical to the success of our business and enables us to meet customer needs. The primary use of freshwater in our direct operations is for sanitation, drinking water, cooking, etc. In our manufacturing operations, freshwater is also used for rinsing parts in our painting lines, cleaning, HVAC and cooling water, etc. Assessment tools: (1) Internal company-wide social and environmental management system and (2) WRI Aqueduct water risk assessment tool. Our social and environmental management system brings together current environmental, health, safety, and Responsible Business Alliance (RBA) and Code of Conduct requirements, as well as best practices in the electronics industry, and aligns them to ISO14001:2015 and OHSAS 18001. As part of this system, we require all sites to appoint a sustainability lead and working committee to represent their site. Our sustainability site lead, together with our local cross-functional working committee, is responsible for assessing and determining if any local quality requirements apply to the site. Our team must also report findings to our regional Sustainability and CREF representatives. Our Sustainability team and CREF recommend operational and technical solutions to water-related issues and challenges. In addition, our corporate Sustainability team and CREF conduct an annual global water risk assessment using WRI Aqueduct. As part of our annual water risk analysis, we evaluate locations that (1) are potentially exposed to high or extremely high risk to drought, flood or baseline water stress, and (2) represent more than 2% of our global sales. In 2020, we concluded that some of our facilities that consume the largest percentage of water are located in water stressed regions.
Stakeholder conflicts concerning water resources at a basin/catchment level	Relevant, sometimes included	Addressing stakeholder conflicts concerning water resources at a basin/catchment level is relevant and sometimes included in our water-related risk assessments. Stakeholder conflicts are sometimes included because engaging host communities around shared water challenges is important for our social license to operate and enables us to secure long-term water access in areas of our operations that require freshwater supply to be able to meet customer needs. Our social and environmental management system brings together current environmental, health, safety, and Responsible Business Alliance (RBA) and Code of Conduct requirements, as well as best practices in the electronics industry, and aligns them to ISO14001:2015 and OHSAS 18001. As part of this system, we require all sites to appoint a sustainability lead and working committee to represent their site. We participate in multiple industry associations and are a founding member of the RBA. Through active participation with the RBA, we are able to understand, assess and respond to potential stakeholder conflicts in the communities where we operate. Assessment tools: (1) materiality assessment to collect and prioritize stakeholder inputs and requests, (2) Internal and external standards, such as our Code of Conduct, Responsible Business Alliance (RBA) Code of Conduct, ISO14001:2015, our social and environmental auditing, and Enterprise Risk Assessment, and (3) internal company knowledge and collaborating with external consultants.

Implications of water on your key commodities/raw materials	Relevant, sometimes included	Implications of water on our key commodities/raw materials are relevant and sometimes included in our water-related risk assessments, because manufacturing suppliers' access to an affordable, reliable and adequate freshwater supply is important for the success of our business and is required to meet customer needs. The primary use of freshwater in our indirect operations is for manufacturing, sanitation, and drinking water. Water-related risks, exacerbated by climate change, such as extended drought and floods could have a material adverse impact on our direct operations and financial results across our extensive network of design, engineering, manufacturing, and logistics facilities located across 30 countries. We could experience business interruptions indirectly, as a result of service interruption from utilities, transportation or telecommunications providers, as well as directly, as a result of disrupted manufacturing operations. Reduced production due to business interruption can affect our ability to timely deliver products to our customers, or perform critical business functions, which could adversely affect our revenue and require significant recovery time and expenditures to resume operations. The most recent storm that significantly affected our business took place in February 2021. Our factory in operations in Austin, Texas and our Juarez North, Juarez South, and Reynosa facilities in Mexico were exposed to a severe winter storms that disconnected power, damaged infrastructure, and paused the water supply. Even when water connection was reactivated, our Austin site did not have access for potable water for several days. Operations were closed for a week. To identify and assess risks in our supply chain, we continuously monitor our supply chain to ensure its compliance with our social and environmental standards which exceed RBA standards. We identify potential risks and flag sites for potential compliance audits. Assessment tools: (1) Supplier onsite audits, (2) Supplier screenings, using Elevate Limited, a tool provided by the RBA that integrates global risk analytics to assess supplier environmental and social compliance risk exposure, and (3) self-assessment questionnaires. In 2020, our supplier due diligence assessments increased by 26% from 2019, totaling almost 2,500 completed social and environmental assessments. In 2020, we conducted 136 initial audits and 64 follow-up audits.
Water-related regulatory frameworks	Relevant, always included	Water-related regulatory frameworks are relevant and always included in our water-related risk assessments because our facilities are located in numerous jurisdictions and subject to different local regulations including those around water. This is important because access to an affordable, reliable and adequate freshwater supply is critical to the success of our business and is required across our operations to meet customer needs. Regulatory compliance is an environmental goal and corporate metric for all business groups. For example, the latest Chinese discharge regulations require significant reductions in the quantity of discharge, and we are responding accordingly. In our Brazil locations in Sorocaba and Manaus, water (withdrawals, discharge, and groundwater) is restricted due to environmentally protected areas. Depending on the water destination, also the Mexican legislations considered different monitoring to ensure the water quality. Assessment tools: (1) Internal and external standards and codes, such as our Code of Conduct, Responsible Business Alliance (RBA) Code of Conduct, ISO14001:2015, our social and environmental auditing, and Enterprise Risk Assessment, and (3) internal company knowledge and collaborating with external consultants. Our social and environmental management system brings together current environmental, health, safety, and Responsible Business Alliance (RBA) and Code of Conduct requirements, as well as best practices in the electronics industry, and aligns them to ISO14001:2015 and OHSAS 18001. As part of this system, we require all our sites to appoint a sustainability lead and working committee. This system requires that all operations comply with applicable environmental laws and regulations. In select locations, our representatives engage and contribute at the local and state legislative and regulatory process.
Status of ecosystems and habitats	Relevant, always included	The status of ecosystems and habitats is relevant and always included in our water-related risk assessments to ensure our compliance with the federal, state, and local permitting regulations. Managing water throughout our value chain is also important for our social license to operate - it enables us to secure long-term water access in areas of our operations that require freshwater supply to be able to meet customer needs. We are aware of no instances of Flex not being in compliance with water-related regulations in all areas where we operate, including environmentally sensitive ecosystems and habitats. Assessment tools: (1) Internal and external standards and codes, such as our Code of Conduct, Responsible Business Alliance (RBA) Code of Conduct, ISO14001:2015, OHSAS 18001, our social and environmental auditing, and Enterprise Risk Assessment, and (3) internal company knowledge and collaborating with external consultants.
Access to fully-functioning, safely managed WASH services for all employees	Relevant, always included	Access to fully-functioning, safely managed WASH services for all employees is relevant and always included in our water-related risk assessments because access to an affordable, reliable and adequate drinking water supply and sanitation is critical to the health and wellbeing of our employees and the ability of our business to continue meet customer needs. To recognize the importance of access to WASH, Flex signed the World Business Council for Sustainable Development (WBCSD) Pledge for Access to Safe Water, Sanitation and Hygiene at the Workplace in 2019and published a revised water sanitation and hygiene guidance in 2020. This pledge was made to commit to implementing access to safe water, sanitation, and hygiene at the workplace at an appropriate level of standard for all employees in all premises under our direct control. The primary use of freshwater in our direct operations is for sanitation, drinking water, cooking, etc. Assessment tools: (1) Internal and external standards and codes, such as our Code of Conduct, Responsible Business Alliance (RBA) Code of Conduct, ISO14001:2015, OHSAS 18001, our social and environmental auditing, (2) WRI Aqueduct water risk assessment tool. Per our system standards, employees always have access to water for sanitation and drinking purposes. Our sustainability site lead, together with our local cross-functional working committee, is responsible for identifying and assessing the current drought conditions and the impacts of both historical and potential droughts. Our committees must assess and determine if any local quality requirements apply to the site. Our teams must also report findings to their regional Sustainability and CREF representatives. The Sustainability team and CREF recommend operational and technical solutions to water-related issues and challenges. (2) In addition, our Corporate Sustainability team and CREF conduct an annual global water risk assessment using WRI Aqueduct. As part of our annual water risk analysis, we evaluate locations that (1) are potentially exposed to high or extremely high risk to drought, flood or baseline water stress, and (2) represent more than 2% of our global sales. Because these locations are at risk for water shortages, we also consider them at risk for WASH services. In 2020, we concluded that some of our facilities that consume the largest percentage of water are located in water stressed regions.
Other contextual issues, please specify	Please select	

(W3.3c) Which of the following stakeholders are considered in your organization's water-related risk assessments?

	Relevance & inclusion	Please explain
Customers	Relevant, always included	We always include customers in our water-related risk assessments because our business is driven to meet and exceed our customers' expectations and requirements. Our customers have begun requesting information on our management of environmental, social and governance (ESG) issues, and this has, in part, driven our sustainability program. In 2015, we set a goal to reduce overall water consumption by at least 10% absolute, and to increase recycled water rate to 10% (both with a base year 2015). In 2020, we exceeded both of our water management goals, achieving a 30% reduction in water withdrawn from 2015 and a 11% recycled water rate as of 2020. Following the sunsetting of our 20 by 2020 goals, in 2021, we made a new commitment to reduce water withdrawn per revenue by 5%, focusing on sites locate in water scarce areas, by 2025. Each year, we publish our annual Sustainability Executive Report to share information on our climate- and water-related strategy and progress toward water, energy and GHG reduction goals with our stakeholders, including customers. In 2020, we achieved an Ecovadis Platinum CSR Rating, and an "A" score for our CDP 2020 Water Security response. In 2020, for the fifth year in a row, we were a constituent of the FSTE4Good Index. These awards recognize our strong performance and oversight of environmental, social and governance issues. Method of engagement: (1) customer surveys, (2) the Responsible Business Alliance (RBA) and (3) other industry conventions, and sustainability conferences.
Employees	Relevant, always included	We always include employees in our water-related risk assessments because access to fully functioning water, sanitation, and hygiene (WASH) services is critical for our employees' health and wellbeing. In addition, our employees are important internal stakeholders that provide input to our annual materiality assessment based on key stakeholder concerns and requests for qualitative and quantitative information on corporate water and energy use, performance trends, emissions reduction goals, climate change risks and opportunities, and governance practices. To recognize the importance of access to WASH, Flex signed the World Business Council for Sustainable Development (WBCSD) Pledge for Access to Safe Water, Sanitation and Hygiene at the Workplace in 2019 and published a revised water sanitation and hygiene guidance in 2020. This pledge was made to commit to implementing access to safe water, sanitation, and hygiene at the workplace at an appropriate level of standard for all employees in all premises under our direct control. In addition, our corporate sustainability team holds regular communication sessions in each region to create environmental awareness and educate and update employees regarding new regulations and other potential impacts, including those related to water issues. Our senior management teams, both at the corporate level and site level, hold regular town hall meetings for their respective audiences (corporate, business groups, sites). A question and answer (Q&A) session at the end of every meeting gives our employees the opportunity to ask questions and share their ideas. Our EHS policy calls for raising employee awareness of the strategic importance of natural resources, including water. Method of engagement: (1) direct engagement during regular "Leadership Perspective" (with Executives) communication sessions, (2) regular town hall meetings, (3) Q&A sessions, (4) EHS policy calls, (5) engagement via written communication, educational, and training materials, and (6) signing the WBCSD Pledge for Access to Safe Water, Sanitation and Hygiene at the Workplace.
Investors	Relevant, always included	We always include investors in our water-related risk assessments because we are working towards continuously meeting and exceeding investors' expectations and being able to respond to investors' increasing concern about the sustainability performance of the companies, including water-related issues. Engagement may be daily, monthly, quarterly, annually or as needed to identify key sustainability topics and concerns. For example, we engage investors in our quarterly earnings calls, analyst meetings, and financial disclosures. Through our 2020 materiality assessment process, we identified, among other issues, energy, water, emissions, effluents and waste, and supplier social and environmental risks as material for our business. Each year, we publish our annual Sustainability Report to share information on our climate- and water-related strategies and progress toward water, energy and GHG reduction goals with our stakeholders, including investors In 2020, we achieved an Ecovadis Platinum CSR Rating, and an "A" score for our CDP 2020 Water Security response. In 2020, for the fifth year in a row, we were a constituent of the FSTE4Good Index. These awards recognize our strong performance and oversight of environmental, social and governance issues. Method of engagement: (1) direct engagement during meetings, calls, and Investor & Analyst Days, (2) engagement via written communication, (3) communication through regular and specialized sustainability reports, surveys, ratings, rankings, and other methods, (4) materiality assessments - we update our materiality assessment annually based on stakeholder concerns and publish information based on requests for qualitative and quantitative information on corporate GHG emissions, water withdrawals, performance trends, emissions reduction goals, climate change risks and opportunities, and governance practices.
Local communities	Relevant, always included	We always include local communities in our water-related risk assessments because engaging local communities around shared water challenges is important for our social license to operate and enables us to secure long-term water access in areas of our operations that require freshwater supply to be able to meet customer needs. Our sustainability site leads engage with local communities in accordance with social and environmental management system requirements. Water-related issues are discussed when applicable. Every year, we update our materiality assessment based on stakeholder concerns and publish information based on requests for qualitative and quantitative information on corporate GHG emissions, water withdrawals, performance trends, emissions reduction goals, climate change risks and opportunities, and governance practices. Each year, we publish our annual Sustainability Report to share information on our climate- and water-related strategies and progress toward water, energy and GHG goals with our stakeholders, including local communities. In 2020, we achieved an Ecovadis Platinum CSR Rating, and an "A" score for our CDP 2020 Water Security response. In 2020, for the fifth year in a row, we were a constituent of the FSTE4Good Index. These awards recognize our strong performance and oversight of environmental, social and governance issues. Engagement may be daily, monthly, quarterly, annually or as needed to identify key sustainability topics and concerns. Methods of engagement: (1) direct engagement during meetings and community events, (2) employee volunteer events, such as our annual Earth Day Challenge, (3) written communication, including regular and specialized reports, (4) surveys, and (5) Flex Foundation grants.
NGOs	Relevant, always included	We always include NGOs in our water-related risk assessments because Flex values NGOs advocating for water ecosystem restoration as important partners. We collaborate with environmental and social NGOs. In addition, Flex partners with NGOs during our annual employee and community engagement event, Earth Day Challenge. Engagement may be daily monthly, quarterly, annually or as needed to identify key sustainability topics and concerns. Through our 2020 materiality assessment process, we identified, among other issues, energy, water, emissions, effluents and waste, and supplier social and environmental risks as material for our business. Each year, we publish our annual Sustainability Executive Report to share information on our climate- and water-related strategies and progress toward water, energy and GHG goals with our stakeholders, including investors. In 2020, we achieved an Ecovadis Platinum CSR Rating, and an "A" score for our CDP 2020 Water Security response. In 2020, for the fifth year in a row, we were a constituent of the FSTE4Good Index. These awards recognize our strong performance and oversight of environmental, social and governance issues. Methods of engagement: (1) direct engagement during meetings and community events, (2) employee volunteer events, such as our annual Earth Day Challenge, (3) written communication, including regular and specialized reports, (4) surveys, and (5) Flex Foundation grants.
Other water users at a basin/catchment level	Relevant, sometimes included	Flex values feedback and input from our internal and external stakeholders. Our key stakeholders include, but are not limited to, employees, customers, shareholders, potential investors, suppliers, subcontractors, labor agents, governments/regulatory agencies, unions, Non-Governmental Organizations (NGOs) and industry associations. We sometimes include other water users at a basin/catchment level in our water-related risk assessments, as needed, for example, in areas of water stress. Where we share space with other users (for example, other building tenants where we have the same landlord), we occasionally engage with them on water issues that have the potential to impact the supply of water to our operations. Methods of engagement: (1) direct engagement during meetings, (2) written communication, including regular and specialized reports, and (3) materiality assessments - we update our materiality assessment annually based on stakeholder concerns and publish information based on requests for qualitative and quantitative information on corporate GHG emissions, water withdrawals, performance trends, emissions reduction goals, climate change risks and opportunities, and governance practices.
Regulators	Relevant, always included	Regulators at a local level are relevant and always included in water-related risk assessments conducted by our Corporate Real Estate and Facilities (CREF) teams because regulations may impact our local water utilities, e.g., water quality, price and availability. Method of engagement: (1) direct engagement, for example, when installing and upgrading water systems and wastewater treatment facilities, (2) communication via emails and website research, (3) other meetings as part of ongoing dialogue.
River basin management authorities	Relevant, sometimes included	River basin management authorities are relevant and sometimes included for our organization's water-related risk assessment because river basin management authorities may impact our local water regulations or utilities, e.g., water quality, price and availability. Our local water utility providers engage directly with river basin management authorities on our behalf. Method of engagement: compliance with river basin regulations, meetings, emails, calls as needed.
Statutory special interest groups at a local level	Relevant, sometimes included	We sometimes include statutory special interest groups at a local level in our water-related risks assessments because as a large purchaser with the potential to influence the sustainability practices of our suppliers, we are active in industry efforts to improve supply chain operations, including management of water issues. As one of the founders of the Responsible Business Alliance (RBA), we have contributed to the development of industry standards to help evaluate the environmental impacts of key materials, services, and performance of suppliers. We also engage with trade associations that monitor applicable regulatory requirements, and we are involved with industry associations that represent our interests, including water issues. Method of engagement: (1) indirect engagement through the Responsible Business Alliance (RBA), (2) indirect engagement through trade and industry associations via board positions. The CEO of NEXTracker, a Flex company, sits on the Solar Energy Industries Association's (SEIA) board of directors. Together with NEXTracker, we support SEIA's efforts to review pending regulations and proposed directives and provide comments from a solar manufacturer/ supplier perspective.
Suppliers	Relevant, always included	We always include suppliers in our water-related risk assessments because, our worldwide supply chain embraces 16,000 direct, indirect and vertically integrated suppliers. A disruption in our supply of energy, raw materials, or components due to a water-related incident could negatively affect our ability to serve our customers. While conducting business with or on behalf of Flex, our suppliers and their employees, agents, and subcontractors must understand and adhere to our Supplier Code of Conduct ("Code"). We expect all of our suppliers to implement appropriate and effective policies to ensure compliance with this Code and all relevant laws and regulations. Our code applies to all suppliers. Our aim is to leverage the magnitude of our supply chain to make a positive impact in our industry and communities. We strive to do this by continuously monitoring our supply chain to ensure its compliance with our social and environmental standards which exceed RBA standards. Method of engagement: (1) supplier training, (2) onsite audits, (3) supplier screenings, (4) self-assessment questionnaires to ensure the continuity and effectiveness of supplier social and environmental activities, and mitigate potential risks. Beneficial outcomes include: (1) increased awareness and improved supplier reporting (2) supply chain resiliency, and (3) reduced supply chain risk. As a large purchaser with the potential to influence the sustainability practices of our suppliers, we are active in industry efforts to improve supply chain operations. As one of the founders of the Responsible Business Alliance (RBA), we contributed to development of industry standards for evaluating the environmental impacts of key materials, services, and performance of suppliers.
Water utilities at a local level	Relevant, sometimes included	We sometimes include water utilities at a local level in our water-related risk assessments because our Corporate Real Estate and Facilities (CREF) team engages in discussions with local water utilities on issues of quality, price and availability. Method of engagement: (1) direct engagement, for example, when installing and upgrading water systems and wastewater treatment facilities, (2) communication via emails and website research, (3) other meetings as part of ongoing dialogue.
Other stakeholder, please specify	Please select	

W3.3d

(W3.3d) Describe your organization's process for identifying, assessing, and responding to water-related risks within your direct operations and other stages of your value chain.

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

Risk identification in direct operations: Our Sustainability and Corporate Real Estate and Facilities (CREF) teams collaborate to identify issues, interpret specific climate and water-related regulations and customer requirements, assess potential impacts, and ensure necessary resources are in place to mitigate potential risks at the regional- and site-level in all locations where we operate. All global sites are required to adopt and implement our social and environmental management system, to methodically identify, address, mitigate, and control site-level risks. All sites are audited against our social and environmental audit protocol, using our internal company methods, external consultants and third-party sustainability assessments. The Corporate Sustainability team and CREF conduct annual global water risk assessments using WRI Aqueduct. As part of our annual water risk analysis, we evaluate locations that (1) are potentially exposed to high or extremely high risk to drought, flood or baseline water stress, and (2) represent more than 2% of our global sales. In 2020, we concluded that some of our facilities that consume the largest percentage of water are located in water stressed regions.

Risk identification in our supply chain: To identify and assess risks in our supply chain, we continuously monitor our supply chain to ensure its compliance with our social and environmental standards which exceed Responsible Business Alliance (RBA) standards. We require our suppliers to follow our Supplier Code of Conduct and have a management system in place to ensure the continuity and effectiveness of their social and environmental activities, and to mitigate potential risks. Through supplier training, onsite audits, screenings, and self-assessment questionnaires, we are able to identify potential risks and flag sites for potential compliance audits. In 2020, our supplier due diligence assessments increased by 26% from 2019, totaling almost 2,500 completed social and environmental assessments. We screen new suppliers by auditing health and safety, environmental, business ethics and management systems data, using Elevate Limited, a tool provided by the RBA that integrates global risk analytics to assess supplier environmental and social compliance risk exposure. In 2020, we conducted 136 initial audits and 64 follow-up audits.

Risk identification in other parts of the value chain: In addition to the operational and supply chain risk assessments outlined above, we also identify and assess risks via annual updates to our materiality assessment. This process is based on requests for information from stakeholders (e.g., employees, customers, shareholders, potential investors, suppliers, subcontractors, governments/regulatory agencies, unions, non-profits, industry associations). In order to determine which sustainability topics are most material to our business, we identify topics with the greatest influence for stakeholders, analyze feasibility of impact and influence for stakeholders, filter potential topics by geographic scope, and identify functional areas to validate material topics. Through our 2020 materiality assessment process, we identified, among other issues, energy, water, emissions, effluents and waste, and supplier social and environmental risks as material for our business.

How the outcomes of the risk assessment are used to inform the internal decision making process: Results from Sustainability team, operational and supply chain assessments are reported quarterly to the Head of Our annual ERM process includes input from compliance-area owners and more than 100 interviews with senior management from across the business. Key risks identified through this process are flagged by region and prioritized for mitigation based on impact and likelihood. Top risks are reported to the Executive Leadership Team (ELT) and the Audit Committee of the Board of Directors for further evaluation and mitigation.

W4. Risks and opportunities

W4.1

(W4.1) Have you identified any inherent water-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes, both in direct operations and the rest of our value chain

W4.1a

(W4.1a) How does your organization define substantive financial or strategic impact on your business?

Flex evaluates risks based on potential impact and likelihood.

i) For CDP reporting purposes, we define a substantive financial impact as one that could create a $15M charge to our statement of operations, resulting in a three to five penny per share negative impact.

ii) The measure used to identify substantive change is the decrease in share value.

iii) The threshold of change in this measure is a three to five penny per share negative impact.

iv) This definition applies to our direct operations. We estimate our financial impact using a quantifiable indicator of a one penny loss in earnings per share for every five million USD loss in our revenue, meaning that any event that hits our revenue up to five million USD would result in a loss of one penny per share.

v) An example of a substantive impact considered is extreme water-related events with the potential to disrupt our business operations such as severe storms or flooding.

This could also affect our ability to provide reliable customer service, could delay our product delivery, and impact our customers' business continuity, resulting in additional reputational impacts that we are unable to quantify currently.

Water-related risk to our operations is strictly due to interruption or curtailment or facility damage from severe storms or flooding, as opposed to water costs. Although most of our business processes do not depend on large quantities of water, we do require a sufficient supply in order to run our business. If our operations were to experience an event (in the form of an interruption) where we could not receive sufficient water, we could face significant limits to production. The more probable impacts would be to ancillary operations, e.g. dormitories housing our workers, as opposed to production. There are also potential impacts in our supply chain as some of those operations are more water intensive. We conduct an annual water risk assessment using WRI Aqueduct. As part of our annual water risk analysis, we evaluate locations that (1) are potentially exposed to high or extremely high risk to drought, flood or baseline water stress, (2) represent more than 2% of our global sales. In 2020, we concluded that some of our facilities that consume the largest percentage of water are located in water stressed regions.

W4.1b

(W4.1b) What is the total number of facilities exposed to water risks with the potential to have a substantive financial or strategic impact on your business, and what proportion of your company-wide facilities does this represent?

	Total number of facilities exposed to water risk	% company-wide facilities this represents	Comment
Row 1	10	1-25	While the number of facilities is modest compared to the number of sites in our overall footprint, some of these facilities (e.g. our mega-campus in Zhuhai China) have large strategic significance.

W4.1c

(W4.1c) By river basin, what is the number and proportion of facilities exposed to water risks that could have a substantive financial or strategic impact on your business, and what is the potential business impact associated with those facilities?

Country/Area & River basin

Mexico	Other, please specify (Santiago Guadalajara)

Number of facilities exposed to water risk
2

% company-wide facilities this represents
1-25

Production value for the metals & mining activities associated with these facilities
<Not Applicable>

% company's annual electricity generation that could be affected by these facilities
<Not Applicable>

% company's global oil & gas production volume that could be affected by these facilities
<Not Applicable>

% company's total global revenue that could be affected
1-10

Comment
While the number of facilities is modest compared to the number of sites in our overall footprint, some of these facilities have large strategic significance.

Country/Area & River basin

United States of America	Other, please specify (Coyote)

Number of facilities exposed to water risk
1

% company-wide facilities this represents
Less than 1%

Production value for the metals & mining activities associated with these facilities
<Not Applicable>

% company's annual electricity generation that could be affected by these facilities
<Not Applicable>

% company's global oil & gas production volume that could be affected by these facilities
<Not Applicable>

% company's total global revenue that could be affected
1-10

Comment
While the number of facilities is modest compared to the number of sites in our overall footprint, some of these facilities have large strategic significance.

Country/Area & River basin

Malaysia	Other, please specify (Kurau/Beruas)

Number of facilities exposed to water risk
1

% company-wide facilities this represents
Less than 1%

Production value for the metals & mining activities associated with these facilities
<Not Applicable>

% company's annual electricity generation that could be affected by these facilities
<Not Applicable>

% company's global oil & gas production volume that could be affected by these facilities
<Not Applicable>

% company's total global revenue that could be affected
1-10

Comment
While the number of facilities is modest compared to the number of sites in our overall footprint, some of these facilities have large strategic significance.

Country/Area & River basin

India	Other, please specify (Delta)

Number of facilities exposed to water risk
1

% company-wide facilities this represents
Less than 1%

Production value for the metals & mining activities associated with these facilities
<Not Applicable>

% company's annual electricity generation that could be affected by these facilities
<Not Applicable>

% company's global oil & gas production volume that could be affected by these facilities
<Not Applicable>

% company's total global revenue that could be affected
1-10

Comment
While the number of facilities is modest compared to the number of sites in our overall footprint, some of these facilities have large strategic significance.

Country/Area & River basin

China	Other, please specify (Lake Tail Hu)

Number of facilities exposed to water risk
2

% company-wide facilities this represents
1-25

Production value for the metals & mining activities associated with these facilities
<Not Applicable>

% company's annual electricity generation that could be affected by these facilities
<Not Applicable>

% company's global oil & gas production volume that could be affected by these facilities
<Not Applicable>

% company's total global revenue that could be affected
1-10

Comment
While the number of facilities is modest compared to the number of sites in our overall footprint, some of these facilities have large strategic significance.

Country/Area & River basin

Romania	Other, please specify (Tisza)

Number of facilities exposed to water risk
1

% company-wide facilities this represents
Less than 1%

Production value for the metals & mining activities associated with these facilities
<Not Applicable>

% company's annual electricity generation that could be affected by these facilities
<Not Applicable>

% company's global oil & gas production volume that could be affected by these facilities
<Not Applicable>

% company's total global revenue that could be affected
1-10

Comment
While the number of facilities is modest compared to the number of sites in our overall footprint, some of these facilities have large strategic significance.

Country/Area & River basin

China	Other, please specify (Xi Jiang)

Number of facilities exposed to water risk
1

% company-wide facilities this represents
Less than 1%

Production value for the metals & mining activities associated with these facilities
<Not Applicable>

% company's annual electricity generation that could be affected by these facilities
<Not Applicable>

% company's global oil & gas production volume that could be affected by these facilities
<Not Applicable>

% company's total global revenue that could be affected
1-10

Comment
While the number of facilities is modest compared to the number of sites in our overall footprint, some of these facilities have large strategic significance.

Country/Area & River basin

Mexico	Other, please specify (Verde Grande)

Number of facilities exposed to water risk
1

% company-wide facilities this represents
Less than 1%

Production value for the metals & mining activities associated with these facilities
<Not Applicable>

% company's annual electricity generation that could be affected by these facilities
<Not Applicable>

% company's global oil & gas production volume that could be affected by these facilities
<Not Applicable>

% company's total global revenue that could be affected
1-10

Comment
While the number of facilities is modest compared to the number of sites in our overall footprint, some of these facilities have large strategic significance.

W4.2

(W4.2) Provide details of identified risks in your direct operations with the potential to have a substantive financial or strategic impact on your business, and your response to those risks.

Country/Area & River basin

China	Other, please specify (Xi Jiang)

Type of risk & Primary risk driver

Physical	Severe weather events

Primary potential impact
Reduction or disruption in production capacity

Company-specific description
Climate related hazards and acute shocks associated with cyclones and floods could have a material adverse impact on our direct operations and financial results across our extensive network of design, engineering, manufacturing, and logistics facilities located across 30 countries. We could experience business interruptions indirectly, as a result of service interruption from utilities, transportation or telecommunications providers, as well as directly, as a result of disrupted manufacturing operations. Reduced production due to business interruption can affect our ability to timely deliver products to our customers, or perform critical business functions, which could adversely affect our revenue and require significant recovery time and expenditures to resume operations. No instances of severe storms were observed in 2020 that damaged facilities or disrupted operations. The most recent storm that significantly affected our business took place in August 2017. Our factory in Zhuhai, China, was exposed to a storm surge associated with Typhoon Hato that caused severe flooding and wind gusts that reached 150 mph. As a result, $10M in losses were incurred at our Zhuhai factory, including business interruption for both shipments and supplies, as well as physical damage to our facilities. As one of our largest manufacturing facilities measuring over 5.5M square feet, our Zhuhai factory is critical to operations.

Timeframe
Current up to one year

Magnitude of potential impact
Medium

Likelihood
More likely than not

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

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure - minimum (currency)
1000000

Potential financial impact figure - maximum (currency)
20000000

Explanation of financial impact
Financial impacts can include potential closure of operations, facility repair costs, lost work time, increased utility costs, lost revenue, damaged equipment, lost inventory, and increased insurance premiums. The financial impact is expected to range between $15M and $25M, which is equal to our typical insurance deductible. It exceeds our threshold for substantive financial impact estimated based on three to five penny per share negative impact (i.e. any event that impacts our revenue up to five million USD). This estimated financial impact is based on an assessment by subject matter experts within Finance, Corporate Treasury, Corporate Real Estate and Facilities (CREF), Sustainability, and business continuity teams. The company maintains insurance that mitigates the high end of financial impacts.

Primary response to risk
Amend the Business Continuity Plan

Description of response
While we maintain business recovery plans that are intended to allow us to recover from natural disasters or other events that can be disruptive to our business, some of our systems are not fully redundant, and we cannot be sure that our plans will fully protect us from all such disruptions. We maintain a program of insurance coverage for a variety of property, casualty, and other risks. Losses not covered by insurance may be large, which could harm our results of operations and financial condition. After Typhoon Hato impacted our Zhuhai China factory in 2017, we compiled lessons learned and developed mitigating steps to reduce potential facility impacts and keep employees safe during future storms, including: establishing a center of command and emergency response team; inspecting and reinforcing facilities, water tanks and back-up power sources; developing recovery plans with key suppliers to reduce down time; and minimizing activities during storms, sending our employees home, and stock piling food and water inside buildings for those unable to go home.

Cost of response
0

Explanation of cost of response
Capital and expense planning are parts of our normal budgetary cycle. As we adjust our strategy to address risks, we naturally incorporate those strategies into our spending, e.g. by adding features to new facilities, upgrading and/or repairing current facilities, disaster planning, etc. Managing physical risks in our operations falls within the normal course of business and incurs zero incremental costs.

W4.2a

(W4.2a) Provide details of risks identified within your value chain (beyond direct operations) with the potential to have a substantive financial or strategic impact on your business, and your response to those risks.

Country/Area & River basin

India	Other, please specify (Palar Ponnaiyar)

Stage of value chain
Supply chain

Type of risk & Primary risk driver

Physical	Severe weather events

Primary potential impact
Reduction or disruption in production capacity

Company-specific description
We may be adversely affected by shortages of required electronic components. From time to time, we have experienced shortages of raw materials and electronic components. These shortages may be caused by events outside our control, including, but not limited to, natural or environmental occurrences such as severe storms or floods which impact our supply chain or inventory. Unanticipated component shortages could result in curtailed production or delays in production, which may prevent us from making scheduled shipments to customers. For example, our site in Chennai, India, which hosts a major manufacturing facility and the Global Business Services Center supporting our internal activities for IT and Finance, has been experiencing severe storms and flooding events, impacting our business. In 2015, storm and flooding in Chennai affected our power supply and our operations had to rely on limited fuel availability provided by onsite generators. The site also experienced delays in shipments, as roads were flooded and had to be cleared up first. Our Chennai site experienced another extreme weather event in 2018, when a storm damaged air freight cargo in transit from one location to another, affecting our ability to make scheduled shipments to customers. Our inability to make scheduled shipments could cause us to experience a reduction in sales, an increase in inventory levels and costs, and could adversely affect relationships with existing and prospective customers. Component shortages may also increase our cost of goods sold because we may be required to pay higher prices for components in short supply and redesign or reconfigure products to accommodate substitute components. As a result, component shortages could adversely affect our operating results. Our performance depends, in part, on our ability to incorporate changes in component costs into the selling prices for our products.

Timeframe
Current up to one year

Magnitude of potential impact
Medium

Likelihood
More likely than not

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

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure - minimum (currency)
1

Potential financial impact figure - maximum (currency)
20000000

Explanation of financial impact
Financial impacts can include inventory damage, lost revenue from curtailed production or delays in production, increased cost of raw materials or components, increased costs related to redesign or reconfiguration of products to accommodate substitute components, and increased insurance premiums. While it is difficult to accurately quantify the financial implications, we estimate potential incremental costs from physical risks impacting our supply chain to range from $1 to $20M annually which is our definition for ‘substantive’ for CDP reporting purposes. We define a substantive financial impact as one that could create a $15M charge to our statement of operations, resulting in three to five pennies per share negative impact. We estimate our financial impact using a quantifiable indicator of a one penny loss in earnings per share for every five million USD loss in our revenue, meaning that any event that hits our revenue up to five million USD would result in a loss of one penny per share. This estimate is based on an assessment by subject matter experts within Finance, Corporate Treasury, Corporate Real Estate and Facilities (CREF), Sustainability, Procurement and Logistics. We maintain insurance that mitigates the high end of financial impacts.

Primary response to risk

Supplier engagement	Promote greater due diligence among suppliers

Description of response
We have developed rigorous risk mitigating compliance programs which include collecting compliance data from our suppliers, full laboratory testing and public reporting of environmental metrics such as water, energy, and GHG emissions. We convey our requirements to suppliers through due diligence assessments, on-site audits, and social and environmental trainings. In 2020, our supplier due diligence assessments increased by 26% from 2019, totaling almost 2,500 completed social and environmental assessments, and we conducted 136 initial audits and 64 follow-up audits. We have developed a Preferred Supplier Program (PSP) and work with key suppliers to identify, assess, and manage risks and ensure compliance with social and environmental standards that exceed RBA’s. In 2020, there were 492 suppliers in our PSP, of which 98% have been assessed via our Self-Assessment Questionnaire (SAQ). Flex’s SAQ contains questions related to the measurement, monitoring and existence of systems to reduce impacts from water use, discharge, air emissions, energy use, waste, and hazardous materials. Supplier trainings also provide a critical opportunity for us to strengthen our relationship with suppliers. In 2020, 1,153 attendees, representing 551 suppliers, received training on our social and environmental expectations for suppliers, our Supply Chain Social and Environmental Management Program, and the updated RBA standards, due to COVID-19 most of the training were conducted online.. We selected these suppliers because they were (1) local to our campus, (2) represented a diverse cross-section of our supplier base, or (3) were labor agency suppliers. Through supplier training, onsite audits, screenings, and SAQs, we ensure the continuity and effectiveness of supplier social and environmental activities. Through direct engagement with our suppliers, we can also mitigate potential risks such as those related to component shortages caused by severe storms or flooding. Additionally, we are able to manage and mitigate financial impacts from component shortages by increasing our cost of goods sold as well by diversifying our supply base and developing redundant capabilities by promoting greater due diligence among suppliers.

Cost of response
0

Explanation of cost of response
Managing risks in our supply chain falls within the normal course of business and incurs zero incremental costs.

W4.3

(W4.3) Have you identified any water-related opportunities with the potential to have a substantive financial or strategic impact on your business?
Yes, we have identified opportunities, and some/all are being realized

W4.3a

(W4.3a) Provide details of opportunities currently being realized that could have a substantive financial or strategic impact on your business.

Type of opportunity
Efficiency

Primary water-related opportunity
Improved water efficiency in operations

Company-specific description & strategy to realize opportunity
We have committed to reducing absolute water withdrawals by 10% from 2015 to 2020. This opportunity is considered strategic for the company because our aim is to improve water efficiency in global operations, reduce operating expenses, increase brand value, and further engage employees in sustainability efforts. Our annual Sustainability Executive Report provides our stakeholders with information on our water management strategy and progress toward water goals. Numerous 2020 awards recognize our commitment to environmental, social and governance issues: Ecovadis Platinum CSR Rating, FSTE4Good Index constituent. In 2020, we reduced total water withdrawn by over 2.4 million cubic meters from 2015 (30% reduction from 2015). We also set a goal to achieve a 10% recycled water rate by 2020; we achieved 11% as of 2020. Our water management strategy to realize water efficiency in operations incorporates water recycling and reuse. For example, in 2020, we focused our efforts towards assessing opportunities for water recycling, evaluating new technologies that can withdraw water from the air for use in our operations. We are excited to continue exploring new ways to decrease our water withdrawal. We invested in CAPEX 151,000usd on water efficiency projects in 2020. For example, at our Chengdu facility we implemented an injection workshop cooling water system instead of an open loop system. Since the water evaporation capacity is very large in summer, the changes for the closed cycle greatly reduce the external interface of water, reducing water evaporation. Also, at our Aguascalientes facility we changed the usage of ground water for our gardens and now we are using recycled water only.

Estimated timeframe for realization
1 to 3 years

Magnitude of potential financial impact
Low

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

Potential financial impact figure (currency)
350000

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

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

Explanation of financial impact
The potential financial impact figure of $350,000 was calculated based on the cost of the water saved through our water efficiency projects, water recycling, and water reuse with no additional costs beyond management and operation.

Type of opportunity
Resilience

Primary water-related opportunity
Increased resilience to impacts of climate change

Company-specific description & strategy to realize opportunity
Recognizing the growing threat that water scarcity due to climate change impacts poses to the local communities our facilities are sited in, in 2020, we committed to reducing our water withdrawn per revenue by 5%, focusing on sites located in water scarce areas by 2025. Our water strategy relies on decreasing consumption where possible, leveraging recycling in our more intensive uses and installing collection systems for rainwater to meet irrigation and cooling demands. This opportunity is considered strategic for the company because it builds on previous commitments to improve water efficiency in global operations, reduce operating expensive, increase brand value, and further engage employees in sustainability efforts, while also increasing our operational resilience to climate change. We recognize the scarcity of water in many parts of the world and utilize water management practices that help reduce our consumption. Water-related risk to our operations is strictly due to interruption or curtailment or facility damage from severe storms or flooding, as opposed to water costs. Although most of our business processes do not depend on large quantities of water, we do require a sufficient supply in order to run our business. If our operations were to experience an event where we could not receive sufficient water, we could face significant limits to production. The more probable impacts would be to ancillary operations as opposed to production. The anticipated benefit to our organization is resource stable site locations. Extreme water scarcity can pose both a substantive financial and strategic impact to our organization by significantly raising the price of water and driving away the local workforce. Our strategies to realize this opportunity include: 1) Collect inventory of water consumption from each site, 2) Identify how sites are reducing water consumption, including a baseline of water use and annual reduction plan, 3) Share best practices with other regions and track improvements, 4) Propose new practices and improvement efforts once major water consumption processes are identified. An example of this strategy is looking into technology that would allow us to collect rainwater to use in irrigation and restrooms in our facilities, as well as making water efficiency upgrades, like the installation of self-close water taps in the restrooms and canteen of our Skudai site.

Estimated timeframe for realization
4 to 6 years

Magnitude of potential financial impact

Low-medium

Are you able to provide a potential financial impact figure?
No, we do not have this figure

Potential financial impact figure (currency)
<Not Applicable>

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

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

Explanation of financial impact
Because this is a new opportunity that Flex has committed to, we have not estimated a potential financial impact figure. The potential financial impact figure will be calculated based on the cost of the water saved through our water efficiency projects, water recycling, and water reuse with no additional costs beyond management and operation.

W5. Facility-level water accounting

W5.1

(W5.1) For each facility referenced in W4.1c, provide coordinates, water accounting data, and a comparison with the previous reporting year.

Facility reference number
Facility 1

Facility name (optional)

Country/Area & River basin

United States of America	Other, please specify (Coyote)

Latitude
37.4285

Longitude
-121.889

Located in area with water stress
Yes

Primary power generation source for your electricity generation at this facility
<Not Applicable>

Oil & gas sector business division
<Not Applicable>

Total water withdrawals at this facility (megaliters/year)
70.5

Comparison of total withdrawals with previous reporting year
Higher

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes
0

Withdrawals from brackish surface water/seawater
0

Withdrawals from groundwater - renewable
0

Withdrawals from groundwater - non-renewable
0

Withdrawals from produced/entrained water
0

Withdrawals from third party sources
70.5

Total water discharges at this facility (megaliters/year)
58

Comparison of total discharges with previous reporting year
About the same

Discharges to fresh surface water
0

Discharges to brackish surface water/seawater

0

Discharges to groundwater
0

Discharges to third party destinations
58

Total water consumption at this facility (megaliters/year)
12

Comparison of total consumption with previous reporting year
Much higher

Please explain
All our operational locations report water withdrawn data on a monthly basis. Data is obtained from their water bills/invoices and or water meter records, and a regional group validates and approves it. All our operational locations report water discharged on a yearly basis, and this data is estimated based on local records. Water consumption is calculated on a yearly basis.

Facility reference number
Facility 2

Facility name (optional)

Country/Area & River basin

India	Other, please specify (Delta)

Latitude
12.9164

Longitude
79.879

Located in area with water stress
Yes

Primary power generation source for your electricity generation at this facility
<Not Applicable>

Oil & gas sector business division
<Not Applicable>

Total water withdrawals at this facility (megaliters/year)
134

Comparison of total withdrawals with previous reporting year
Lower

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes
0

Withdrawals from brackish surface water/seawater
0

Withdrawals from groundwater - renewable
10

Withdrawals from groundwater - non-renewable
0

Withdrawals from produced/entrained water
0

Withdrawals from third party sources
124

Total water discharges at this facility (megaliters/year)
0

Comparison of total discharges with previous reporting year
Much lower

Discharges to fresh surface water
0

Discharges to brackish surface water/seawater
0

Discharges to groundwater
0

Discharges to third party destinations
0

Total water consumption at this facility (megaliters/year)
134

Comparison of total consumption with previous reporting year
About the same

Please explain
All our operational locations report water withdrawn data on a monthly basis. Data is obtained from their water bills/invoices and or water meter records, and a regional group validates and approves it. All our operational locations report water discharged on a yearly basis, and this data is estimated based on local records. Water consumption is calculated on a yearly basis.

Facility reference number
Facility 3

Facility name (optional)

Country/Area & River basin

Malaysia	Other, please specify (Kurau/Beruas)

Latitude
5.3515

Longitude
100.4147

Located in area with water stress
Yes

Primary power generation source for your electricity generation at this facility
<Not Applicable>

Oil & gas sector business division
<Not Applicable>

Total water withdrawals at this facility (megaliters/year)
376

Comparison of total withdrawals with previous reporting year
About the same

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes
0

Withdrawals from brackish surface water/seawater
0

Withdrawals from groundwater - renewable
0

Withdrawals from groundwater - non-renewable
0

Withdrawals from produced/entrained water
0

Withdrawals from third party sources
376

Total water discharges at this facility (megaliters/year)
168

Comparison of total discharges with previous reporting year
About the same

Discharges to fresh surface water
0

Discharges to brackish surface water/seawater
0

Discharges to groundwater
0

Discharges to third party destinations
168

Total water consumption at this facility (megaliters/year)
209

Comparison of total consumption with previous reporting year
Higher

Please explain
All our operational locations report water withdrawn data on a monthly basis. Data is obtained from their water bills/invoices and or water meter records, and a regional group validates and approves it. All our operational locations report water discharged on a yearly basis, and this data is estimated based on local records. Water consumption is calculated on a yearly basis.

Facility reference number
Facility 4

Facility name (optional)

Country/Area & River basin

China	Other, please specify (Lake Tail Hu)

Latitude
31.3088

Longitude
120.671

Located in area with water stress
Yes

Primary power generation source for your electricity generation at this facility
<Not Applicable>

Oil & gas sector business division
<Not Applicable>

Total water withdrawals at this facility (megaliters/year)
255

Comparison of total withdrawals with previous reporting year
About the same

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes
0

Withdrawals from brackish surface water/seawater
0

Withdrawals from groundwater - renewable
0

Withdrawals from groundwater - non-renewable
0

Withdrawals from produced/entrained water
0

Withdrawals from third party sources
255

Total water discharges at this facility (megaliters/year)
255

Comparison of total discharges with previous reporting year
About the same

Discharges to fresh surface water
0

Discharges to brackish surface water/seawater
0

Discharges to groundwater
0

Discharges to third party destinations
255

Total water consumption at this facility (megaliters/year)
0

Comparison of total consumption with previous reporting year
Much lower

Please explain
All our operational locations report water withdrawn data on a monthly basis. Data is obtained from their water bills/invoices and or water meter records, and a regional group validates and approves it. All our operational locations report water discharged on a yearly basis, and this data is estimated based on local records. Water consumption is calculated on a yearly basis.

Facility reference number
Facility 5

Facility name (optional)

Country/Area & River basin

China	Other, please specify (Lake Tail Hu)

Latitude
31.223

Longitude
120.726

Located in area with water stress
Yes

Primary power generation source for your electricity generation at this facility
<Not Applicable>

Oil & gas sector business division
<Not Applicable>

Total water withdrawals at this facility (megaliters/year)
357

Comparison of total withdrawals with previous reporting year
About the same

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes
0

Withdrawals from brackish surface water/seawater
0

Withdrawals from groundwater - renewable
0

Withdrawals from groundwater - non-renewable
0

Withdrawals from produced/entrained water
0

Withdrawals from third party sources
357

Total water discharges at this facility (megaliters/year)
357

Comparison of total discharges with previous reporting year
About the same

Discharges to fresh surface water
0

Discharges to brackish surface water/seawater
0

Discharges to groundwater
0

Discharges to third party destinations
357

Total water consumption at this facility (megaliters/year)
0

Comparison of total consumption with previous reporting year
About the same

Please explain
All our operational locations report water withdrawn data on a monthly basis. Data is obtained from their water bills/invoices and or water meter records, and a regional group validates and approves it. All our operational locations report water discharged on a yearly basis, and this data is estimated based on local records. Water consumption is calculated on a yearly basis.

Facility reference number
Facility 6

Facility name (optional)

Country/Area & River basin

Mexico	Other, please specify (Santiago Guadalajara)

Latitude
20.742

Longitude
-103.448

Located in area with water stress
Yes

Primary power generation source for your electricity generation at this facility
<Not Applicable>

Oil & gas sector business division
<Not Applicable>

Total water withdrawals at this facility (megaliters/year)
287

Comparison of total withdrawals with previous reporting year
About the same

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes
0

Withdrawals from brackish surface water/seawater
0

Withdrawals from groundwater - renewable
287

Withdrawals from groundwater - non-renewable
0

Withdrawals from produced/entrained water
0

Withdrawals from third party sources
0

Total water discharges at this facility (megaliters/year)
0

Comparison of total discharges with previous reporting year
About the same

Discharges to fresh surface water
0

Discharges to brackish surface water/seawater
0

Discharges to groundwater
0

Discharges to third party destinations
0

Total water consumption at this facility (megaliters/year)
287

Comparison of total consumption with previous reporting year
About the same

Please explain
All our operational locations report water withdrawn data on a monthly basis. Data is obtained from their water bills/invoices and or water meter records, and a regional group validates and approves it. All our operational locations report water discharged on a yearly basis, and this data is estimated based on local records. Water consumption is calculated on a yearly basis.

Facility reference number
Facility 7

Facility name (optional)

Country/Area & River basin

Mexico	Other, please specify (Santiago Guadalajara)

Latitude
20.581

Longitude
-103.448

Located in area with water stress
Yes

Primary power generation source for your electricity generation at this facility
<Not Applicable>

Oil & gas sector business division
<Not Applicable>

Total water withdrawals at this facility (megaliters/year)
66

Comparison of total withdrawals with previous reporting year
Lower

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes
0

Withdrawals from brackish surface water/seawater
0

Withdrawals from groundwater - renewable
66

Withdrawals from groundwater - non-renewable
0

Withdrawals from produced/entrained water
0

Withdrawals from third party sources
0

Total water discharges at this facility (megaliters/year)
0

Comparison of total discharges with previous reporting year
About the same

Discharges to fresh surface water
0

Discharges to brackish surface water/seawater
0

Discharges to groundwater
0

Discharges to third party destinations
0

Total water consumption at this facility (megaliters/year)
66

Comparison of total consumption with previous reporting year
Lower

Please explain
All our operational locations report water withdrawn data on a monthly basis. Data is obtained from their water bills/invoices and or water meter records, and a regional group validates and approves it. All our operational locations report water discharged on a yearly basis, and this data is estimated based on local records. Water consumption is calculated on a yearly basis.

Facility reference number
Facility 8

Facility name (optional)

Country/Area & River basin

Romania	Other, please specify (Tisza)

Latitude
45.8006

Longitude
21.1712

Located in area with water stress
Yes

Primary power generation source for your electricity generation at this facility
<Not Applicable>

Oil & gas sector business division
<Not Applicable>

Total water withdrawals at this facility (megaliters/year)
37

Comparison of total withdrawals with previous reporting year
Much lower

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes
0

Withdrawals from brackish surface water/seawater
0

Withdrawals from groundwater - renewable
37

Withdrawals from groundwater - non-renewable
0

Withdrawals from produced/entrained water
0

Withdrawals from third party sources
0

Total water discharges at this facility (megaliters/year)
0

Comparison of total discharges with previous reporting year
About the same

Discharges to fresh surface water
0

Discharges to brackish surface water/seawater
0

Discharges to groundwater
0

Discharges to third party destinations
0

Total water consumption at this facility (megaliters/year)
37

Comparison of total consumption with previous reporting year
Much lower

Please explain
All our operational locations report water withdrawn data on a monthly basis. Data is obtained from their water bills/invoices and or water meter records, and a regional group validates and approves it. All our operational locations report water discharged on a yearly basis, and this data is estimated based on local records. Water consumption is calculated on a yearly basis.

Facility reference number
Facility 9

Facility name (optional)

Country/Area & River basin

Mexico	Verde

Latitude
21.96

Longitude
-102.29

Located in area with water stress
Yes

Primary power generation source for your electricity generation at this facility
<Not Applicable>

Oil & gas sector business division
<Not Applicable>

Total water withdrawals at this facility (megaliters/year)
58

Comparison of total withdrawals with previous reporting year
About the same

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes
0

Withdrawals from brackish surface water/seawater
0

Withdrawals from groundwater - renewable
58

Withdrawals from groundwater - non-renewable
0

Withdrawals from produced/entrained water
0

Withdrawals from third party sources
0

Total water discharges at this facility (megaliters/year)
0

Comparison of total discharges with previous reporting year
About the same

Discharges to fresh surface water
0

Discharges to brackish surface water/seawater
0

Discharges to groundwater
0

Discharges to third party destinations
0

Total water consumption at this facility (megaliters/year)
58

Comparison of total consumption with previous reporting year
About the same

Please explain
All our operational locations report water withdrawn data on a monthly basis. Data is obtained from their water bills/invoices and or water meter records, and a regional group validates and approves it. All our operational locations report water discharged on a yearly basis, and this data is estimated based on local records. Water consumption is calculated on a yearly basis.

Facility reference number
Facility 10

Facility name (optional)

Country/Area & River basin

China	Other, please specify (Xi Jiang)

Latitude
22.159

Longitude
113.271

Located in area with water stress
Yes

Primary power generation source for your electricity generation at this facility
<Not Applicable>

Oil & gas sector business division
<Not Applicable>

Total water withdrawals at this facility (megaliters/year)
948

Comparison of total withdrawals with previous reporting year
Much lower

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes
0

Withdrawals from brackish surface water/seawater
0

Withdrawals from groundwater - renewable
0

Withdrawals from groundwater - non-renewable
0

Withdrawals from produced/entrained water
0

Withdrawals from third party sources
948

Total water discharges at this facility (megaliters/year)
853

Comparison of total discharges with previous reporting year
Much lower

Discharges to fresh surface water
0

Discharges to brackish surface water/seawater
0

Discharges to groundwater
0

Discharges to third party destinations
853

Total water consumption at this facility (megaliters/year)
95

Comparison of total consumption with previous reporting year
Much lower

Please explain
All our operational locations report water withdrawn data on a monthly basis. Data is obtained from their water bills/invoices and or water meter records, and a regional group validates and approves it. All our operational locations report water discharged on a yearly basis, and this data is estimated based on local records. Water consumption is calculated on a yearly basis.

W5.1a

(W5.1a) For the facilities referenced in W5.1, what proportion of water accounting data has been externally verified?

Water withdrawals – total volumes

% verified
76-100

What standard and methodology was used?
(ISAE) 3000 – 'Assurance Engagements other than Audits and Reviews of Historical Financial Information' (revised)

Water withdrawals – volume by source

% verified
76-100

What standard and methodology was used?
(ISAE) 3000 – 'Assurance Engagements other than Audits and Reviews of Historical Financial Information' (revised)

Water withdrawals – quality

% verified
Not verified

What standard and methodology was used?
<Not Applicable>

Water discharges – total volumes

% verified
76-100

What standard and methodology was used?
(ISAE) 3000 – 'Assurance Engagements other than Audits and Reviews of Historical Financial Information' (revised)

Water discharges – volume by destination

% verified
Not verified

What standard and methodology was used?
<Not Applicable>

Water discharges – volume by treatment method

% verified
Not verified

What standard and methodology was used?
<Not Applicable>

Water discharge quality – quality by standard effluent parameters

% verified
Not verified

What standard and methodology was used?
<Not Applicable>

Water discharge quality – temperature

% verified
Not verified

What standard and methodology was used?
<Not Applicable>

Water consumption – total volume

% verified
76-100

What standard and methodology was used?
(ISAE) 3000 – 'Assurance Engagements other than Audits and Reviews of Historical Financial Information' (revised)

Water recycled/reused

% verified
76-100

What standard and methodology was used?
(ISAE) 3000 – 'Assurance Engagements other than Audits and Reviews of Historical Financial Information' (revised)

W6. Governance

W6.1

(W6.1) Does your organization have a water policy?

Yes, we have a documented water policy that is publicly available

W6.1a

(W6.1a) Select the options that best describe the scope and content of your water policy.

	Scope	Content	Please explain
Row 1	Company-wide	Description of business dependency on water Description of business impact on water Description of water-related performance standards for direct operations Description of water-related standards for procurement Reference to international standards and widely-recognized water initiatives Company water targets and goals Commitment to align with public policy initiatives, such as the SDGs Commitments beyond regulatory compliance Commitment to water-related innovation Commitment to stakeholder awareness and education Commitment to water stewardship and/or collective action Acknowledgement of the human right to water and sanitation Recognition of environmental linkages, for example, due to climate change	Access to an affordable, reliable and adequate freshwater supply is critical to the success of our business and is required across our operations and supply chain to meet customer needs. Our primary use of freshwater is for sanitation, drinking water, cooking, whereas in manufacturing, freshwater is used for rinsing parts in our painting lines, cleaning, HVAC and cooling water. Therefore, we have incorporated water management into our social and environmental management system, internally recognized Responsible Business Alliance (RBA) Code of Conduct 5.1 requirements, beyond ISO14001:2015 and OHSAS 18001, our company-wide Human Rights and Environmental, Health and Safety policies, and our Flex 20 by 2020 Sustainability Goals. To align our efforts with the UN SDGs and the principles of the UN Global Compact, we committed to two water goals (2015-2020): (1) achieve 10% reduction in absolute water withdrawals by 10% and (2) increase our water recycling rate to 10%. These goals have driven water efficiency in global operations, reduce operating expenses, increased brand value, and furthered engage employees in sustainability efforts. To achieve our water goals, we committed to water-related innovation. For example, in 2020, we updated our Chengdu facility by installing an injection workshop cooling water system, replacing the existing open loop system to greatly reduce the external interface of water and evaporation, cutting down on water withdrawals from local supplies. In 2020, we exceeded both of our water management goals, achieving a 30% reduction in water withdrawn from 2015 and a 11% recycled water rate. In 2019, Flex also signed the World Business Council for Sustainable Development Pledge for Access to Safe Water, Sanitation and Hygiene at the Workplace, to commit to implementing access to safe WASH at the workplace at an appropriate level of standard for all employees in all premises under our direct control. Water is also part of our supply chain and procurement policies, and we require our suppliers to follow our Supplier Code of Conduct, which exceeds RBA standards, and have a management system in place. As part of our commitment to stakeholder awareness, education, and collective action, we run the Earth Day Challenge, engaging directly with the communities where we work and contribute to community- and NGO-led projects addressing shared water challenges.

W6.2

(W6.2) Is there board level oversight of water-related issues within your organization?

Yes

W6.2a

(W6.2a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for water-related issues.

Position of individual	Please explain

Board-level committee	The responsibility for water-related issues resides with the Nominating and Governance Committee (NGC) of our board of directors. The charter for the NGC is responsible for shaping and overseeing the application of the company's ESG policies and procedures and is best positioned to oversee Flex's sustainability program, including water-related risks and opportunities. The committee's responsibilities include: (1) review and revise Flex's corporate ESG policies and programs, and regulatory developments, (2) monitor assessments of Flex's governance and applicable proxy advisory services, policies and reports, and (3) conduct an annual review of water-related risks and opportunities and directional initiatives. The committee reports on these efforts to the Board every 6 months. Our Board conducts an annual strategic review in which risks and opportunities are highlighted and directional initiatives are approved. In FY20, the Board approved going forward with developing 2030 targets, including the commitment to reduce water withdrawn by 5%, focusing on sites located in water scarce areas, by 2025.

W6.2b

(W6.2b) Provide further details on the board's oversight of water-related issues.

	Frequency that water-related issues are a scheduled agenda item	Governance mechanisms into which water-related issues are integrated	Please explain
Row 1	Scheduled - some meetings	Monitoring implementation and performance Overseeing acquisitions and divestiture Overseeing major capital expenditures Providing employee incentives Reviewing and guiding business plans Reviewing and guiding major plans of action Reviewing and guiding risk management policies Reviewing and guiding strategy Reviewing and guiding corporate responsibility strategy Other, please specify (Monitoring and overseeing progress against goals and targets for addressing climate-related issues)	The Nominating and Governance Committee of our board of directors assists in fulfilling oversight of environmental, social, and corporate affairs that may have a significant impact on the financial statements and related company compliance policies and programs. This includes the responsibility to assess water-related sustainability risks and opportunities, including: (1) review and revision of the corporate governance procedures and policies, (2) review of corporate responsibility and sustainability policies and programs, (3) review and assessment of current and emerging environmental, social, and corporate governance issues, trends, regulatory developments, and best practices. The responsibility also includes reviewing, monitoring and guiding the company-wide business strategy, including major plans of action, acquisitions & divestitures and major capital expenditures. These are examples of the governance mechanisms into which water-related issues are integrated. The board of directors conducts an annual strategic sustainability review in which water-related risks and opportunities are highlighted and directional initiatives are approved, e.g., commitment to reduce water withdrawn by 5%, focusing on sites located in water scarce areas, by 2025. At the operational level, our water-related initiatives and activities are overseen by an Executive Leadership Team (ELT) comprised of the Chief Financial Officer, Chief Human Resources Officer, General Counsel, Operations President, VP of Strategy, the Executive Vice President of Strategic Programs and Asset Management (including real estate and facilities), VP of Marketing, Communications and Sustainability and Head of Global Sustainability. The ELT is responsible for prioritizing water-related risks and opportunities and highlighting them to the appropriate business functions. Another example of how monitoring implementation and performance is integrated is that the progress towards our water reduction goal is reviewed regularly by the ELT and periodically with the CFO and the Executive Committee. Flex's corporate sustainability leadership committee holds quarterly meetings and conducts sustainability scorecard reviews to assess progress on key sustainability indicators and targets by program, region and site. In addition, the team conducts periodic reviews of key issue areas, including key performance indicators, e.g., environmental, health and safety are reviewed quarterly with senior management.

W6.3

(W6.3) Provide the highest management-level position(s) or committee(s) with responsibility for water-related issues (do not include the names of individuals).

Name of the position(s) and/or committee(s)

Chief Financial Officer (CFO)

Responsibility

Both assessing and managing water-related risks and opportunities

Frequency of reporting to the board on water-related issues

Quarterly

Please explain

Our CFO is an executive sponsor for Flex's Executive Leadership Team (ELT) comprised of the Chief HR Officer, General Counsel, EVP of Strategic Programs and Asset Management, and the VP of Audit and Risk Management. The CFO is part of Flex's leadership and reports to the COO and CEO. The CFO, who has under his responsibilities the ARMS function, is ultimately responsible for prioritizing water risks and opportunities. The strategic water-related responsibilities have been assigned to CFO, because, as part of the ELT, he has oversight to a range of business functions and is best positioned to provide guidance on the integration of water issues into our strategy. Informed by the VP of Corporate Marketing, Communication and Sustainability, VP Corporate Real Estate and Facilities, and the Head of Internal Audit, CFO reports to the board quarterly, providing an update on the progress towards our environmental goals, including water goals.

W6.4

(W6.4) Do you provide incentives to C-suite employees or board members for the management of water-related issues?

	Provide incentives for management of water-related issues	Comment
Row 1	Yes	

W6.4a

(W6.4a) What incentives are provided to C-suite employees or board members for the management of water-related issues (do not include the names of individuals)?

	Role(s) entitled to incentive	Performance indicator	Please explain
Monetary reward	Chief Operating Officer (COO)	Reduction of water withdrawals Increased access to workplace WASH	The COO, also known as the Operations Group President, oversees the organization's Strategic Programs and Asset Management efforts. Responsibilities encompass leading water withdrawn target actions, including measuring and assessing global related programs, projects, and targets. The success of these efforts' correlates to bonus compensation.
Non-monetary reward	Chief Executive Officer (CEO)	Other, please specify (Achievement of sustainability strategy)	The Chief Executive Officer is rewarded based on the progress towards and achievement of the highest level of ethics, compliance, and commitment to Environment, Social, and Governance (ESG). This includes (1) updating and relaunching the sustainability strategy, and (2) the implementation of sustainability targets and goals, including operational water efficiency. This is measured through the Ethics and Compliance Scorecards for the top 50 Flex facilities. Water has been identified as a material issue for Flex, and our sustainability strategy performance monitoring process has the objective to ensure that our direct operations work towards achieving higher water efficiency through wastewater treatment systems, leakage detection and water conservation initiatives.

W6.5

(W6.5) Do you engage in activities that could either directly or indirectly influence public policy on water through any of the following?

Yes, trade associations

W6.5a

(W6.5a) What processes do you have in place to ensure that all of your direct and indirect activities seeking to influence policy are consistent with your water policy/water commitments?

We have implemented processes to ensure direct and indirect activities that influence policy are consistent with our overall water strategy. Our Sustainability Regional Leads (RLs) and Corporate Real Estate and Facilities (CREF) Regional Leads (RLs) report any pertinent activity in their regions to their corresponding Vice Presidents (VPs) on a regular basis. Regional leads provide communication links between sites and corporate, ensuring site-level activity is aligned to our corporate water strategy. The CREF VP provides leadership and resources to drive global water-related activities. If we were to discover an inconsistency, Marketing, Communications and Sustainability and CREF VPs would engage with the Sustainability and EHS RLs to make them aware of the inconsistency and develop a plan to resolve.

W6.6

(W6.6) Did your organization include information about its response to water-related risks in its most recent mainstream financial report?

Yes (you may attach the report - this is optional)

W7. Business strategy

W7.1

(W7.1) Are water-related issues integrated into any aspects of your long-term strategic business plan, and if so how?

	Are water-related issues integrated?	Long-term time horizon (years)	Please explain
Long-term business objectives	Yes, water-related issues are integrated	11-15	In 2016, we adopted Flex 20 by 2020 goals aligned with the Sustainable Development Goals. Our employees and sites adopted these global goals and implemented local programs, driving social and environmental action within our facilities and in local communities. We committed to two water goals: 1achieve 10% reduction in absolute water withdrawals from 2015 to 2020 and increase our water recycling rate to 10% from 2015 to 2020. In 2020, we exceeded both of our water management goals, achieving a 30% reduction in water withdrawn and a 11% recycled water rate, and committed to reduce water withdrawn by 5% by 2025. We focus our policies, management systems, goals, and programs on five values to drive sustainability across the company and our value chain: People, Community, Environment, Innovation and Integrity. The water issues integrated into our long-term business objectives are reduction in water consumption and withdrawal in our direct operations; promotion of water recycling and reuse at our facilities; implementing wastewater treatment facilities and water conservation to reduce our dependency on freshwater and achieve more efficient water management. An example of how water issues are integrated into long-term business objectives is our commitment to updating our facilities to meet our water goals. In 2020, we invested $151,000 in water efficiency projects, including the installation of a closed cooling water system aimed to reduce evaporation at our Chengdu site.

Strategy for achieving long-term objectives	Yes, water-related issues are integrated	11-15	Access to an affordable, reliable and adequate freshwater supply is critical to the success of our business because it is required across our operations to meet customer needs The primary use of freshwater in our direct operations is for sanitation, drinking, and cooking. In manufacturing operations, freshwater is used for rinsing parts in our painting lines, cleaning, HVAC and cooling water. For these reasons, we incorporated water management into our 20 by 2020 environmental goals, which are aligned to the SDGs. We committed to two water goals: achieve 10% reduction in absolute water withdrawals and increase our water recycling rate to 10%. In 2020, we exceeded both of our water goals and committed to reduce water withdrawn by 5% by 2025. The following water-related issues are integrated into our strategy for achieving long-term business objectives: reduction in water consumption and withdrawal in our direct operations; promotion of water recycling and reuse at our facilities; implementing wastewater treatment facilities and water conservation measures to reduce our dependency on freshwater and achieve more efficient water management. An example of how these water issues are integrated into our strategy for achieving long-term objectives to reduce our dependency on freshwater is our investment in the 2020 water efficiency project in our Skudai facility, where we enhanced our facility's water savings by installing self-close water taps for restroom and canteen purposes.
Financial planning	Yes, water-related issues are integrated	11-15	In 2016, we adopted our 20 by 2020 goals aligned with the SDGs. Our employees and sites adopted these goals and implemented local programs, driving social and environmental action within our facilities and in local communities. We committed to two water goals to improve water efficiency in global operations, reduce operating expenses, increase brand value, and engage employees in sustainability efforts: (1) achieve 10% reduction in absolute water withdrawals and (2) increase our water recycling rate to 10%. Water issues integrated into our financial planning: (1) water recycling and (2) water reuse. In 2020, we exceeded both of our water goals and committed to reduce water withdrawn by 5% by 2025. An example of how these water issues are integrated into financial planning is the water-related CAPEX and OPEX investment in the 2020 upgrade of our water reuse in China and Mexico. We enhanced our cooling technology at our facility in Chengdu, by installing a closed loop injection workshop cooling system to reduce evaporation. To further reduce water, our site in Aguascalientes switched to using recycled water for irrigation. Water issues integrated into our financial planning: (1) reduction in water consumption and water withdrawal in our direct operations, (2) promotion of water recycling and reuse at our facilities, (3) implementing wastewater treatment facilities and water conservation measures to reduce our dependency on freshwater and achieve more efficient water management.

W7.2

(W7.2) What is the trend in your organization's water-related capital expenditure (CAPEX) and operating expenditure (OPEX) for the reporting year, and the anticipated trend for the next reporting year?

Row 1

Water-related CAPEX (+/- % change)

0.1

Anticipated forward trend for CAPEX (+/- % change)

0.1

Water-related OPEX (+/- % change)

-11

Anticipated forward trend for OPEX (+/- % change)

14

Please explain

Access to an affordable, reliable and adequate freshwater supply is critical to the success of our business because it is required across our operations to meet customer needs. The primary use of freshwater in our direct operations is for sanitation, drinking water, cooking, etc. In our manufacturing operations, freshwater is also used for rinsing parts in our painting lines, cleaning, HVAC and cooling water, etc. Our budget for water-related CAPEX and OPEX remains more or less the same year to year, as we do not anticipate our potable water needs changing, and we do not yet have largescale reclaimed water systems to offset our dependency. However, in 2020, water-related expenditure (CAPEX and OPEX) was spent the following types of water savings projects: closed loop cooling system, recycled irrigation, and water tap modernization.

W7.3

(W7.3) Does your organization use climate-related scenario analysis to inform its business strategy?

	Use of climate-related scenario analysis	Comment
Row 1	Yes	In FY20, we conducted a preliminary scenario analysis using WRI Aqueduct's Water Risk Assessment tool to identify which of our global facilities could be vulnerable to baseline water stress (BWS) in 2030 and 2040, for optimistic, business as usual, and pessimistic scenarios. We entered all of our global facilities into the WRI Aqueduct tool and analyzed the output report in the context of our global operations. We selected the risk type "future water stress" and identified which sites fell under the categories of being at "High" and "Extremely High" BWS. We then filtered the resulting list of sites based on contribution to global sales and global workforce, to determine which of the facilities most critical to our operations could be impacted. 2030 and 2040 were considered because they align to our medium and long-term company-wide planning horizons, which align with human resources, real estate planning, research, and business projections.

W7.3a

(W7.3a) Has your organization identified any water-related outcomes from your climate-related scenario analysis?

Yes

W7.3b

(W7.3b) What water-related outcomes were identified from the use of climate-related scenario analysis, and what was your organization's response?

	Climate-related scenarios and models applied	Description of possible water-related outcomes	Company response to possible water-related outcomes
Row 1	RCP 2.6	The results of this scenario analysis show that many of our sites will be at “High” and “Extremely High baseline water stress in 2030 and 2040 for all scenarios: optimistic, business as usual, and pessimistic. This includes sites in Mexico, US, China, Malaysia, India, and Singapore. Most of the facilities that we currently consider at risk will also be at “High” and “Extremely High baseline water stress in 2030 and 2040 for all scenarios. A smaller number of sites we currently consider at risk will no longer be at risk in 2030 or 2040. For example, our facilities in the Xun Jiang basin, which we currently consider at risk, will not have “High” and “Extremely High baseline water stress in 2030 and 2040 for all scenarios.	As our analysis is in the early stages, we are in the process of analyzing data and understanding what it means for our business. We will leverage results to inform our business strategy and objectives for risk mitigation based on our experience with vulnerable locations. This includes reporting to the VP of Corp. Real Estate, Facilities and Workplace Services and discussing with Enterprise Risk Management (ERM). Our current annual ERM process includes input from compliance-area owners and interviews with senior management. These results reinforced the decision to incorporate water management into our 20 by 2020 goals: 1) achieve 10% reduction in water withdrawals; 2) increase our water recycling rate to 10%. In 2020, we exceeded our water goals and set a new target to reduce water withdrawn by 5% by 2025. The following water issues are integrated into our strategy for achieving our business objectives: reduction in water consumption and withdrawal, promotion of water recycling and reuse, implementing wastewater treatment facilities and water conservation measures to reduce our dependency on freshwater and achieve more efficient management. An example of how these water issues are integrated into our strategy such objectives is the upgrade of our wastewater treatment plants, which contribute to our long-term strategy to reduce our dependency on freshwater. The anticipated timeline of our response is current to long term, based on our investment in a wastewater treatment plan.

W7.4

(W7.4) Does your company use an internal price on water?

Row 1

Does your company use an internal price on water?

No, and we do not anticipate doing so within the next two years

Please explain

This is dictated by the nature of our business which is not water intensive.

W8. Targets

W8.1

(W8.1) Describe your approach to setting and monitoring water-related targets and/or goals.

	Levels for targets and/or goals	Monitoring at corporate level	Approach to setting and monitoring targets and/or goals
Row 1	Company-wide targets and goals Business level specific targets and/or goals Site/facility specific targets and/or goals	Targets are monitored at the corporate level Goals are monitored at the corporate level	Flex has company-wide, business level, and site/facility specific targets and goals. Flex 20 by 2020 water goals: 1) Reduce overall water withdrawal by at least 10 percent absolute (base year 2015). 2) Increase recycled water rate to 10 percent (base year 2015). Flex 2030 water goals: 1) Reduce water withdrawn per revenue by 5%, focusing on sites located in water scarce areas, by 2025.Our company approach to setting water-related goals is focused on creating a global culture around resource conservation (including water and energy). Therefore, our Flex 20 by 2020 and recently published 2030 environmental goals apply to all operational locations. Each operational location must define as part of their environmental management system their own goals and targets to meet corporate, customer and regulatory requests. Flex goal progress, including progress at a site level, is monitored monthly through a scorecard and reported to top management on a quarterly basis. External updates are done annually.

W8.1a

(W8.1a) Provide details of your water targets that are monitored at the corporate level, and the progress made.

Target reference number

Target 1

Category of target

Water withdrawals

Level

Company-wide

Primary motivation

Water stewardship

Description of target
Reduce overall water withdrawals by at least 10% absolute (base year 2015). Reducing our water withdrawals supports achieving water security because we will withdraw less potable water overall. We share our new 2020 goals publicly in our Sustainability Report. Learn more at flex.com/sustainability.

Quantitative metric
% reduction in total water withdrawals

Baseline year
2015

Start year
2015

Target year
2020

% of target achieved
100

Please explain
Threshold of success: 10% of water withdrawals reduction 2020 goal status: Achieved 2020 % achieved: 300%

Target reference number
Target 2

Category of target
Water recycling/reuse

Level
Company-wide

Primary motivation
Cost savings

Description of target
Increase recycled water rate to 10%. Reducing our water consumption supports achieving water security because we will withdraw less water overall. We share our new 2020 goals publicly in our Sustainability Report. Learn more at flex.com/sustainability.

Quantitative metric
% increase in water use met through recycling/reuse

Baseline year
2015

Start year
2015

Target year
2020

% of target achieved
100

Please explain
Threshold of success: Recycling rate = 10% 2020 goal status: Achieved 2020 % achieved: 110%

W8.1b

(W8.1b) Provide details of your water goal(s) that are monitored at the corporate level and the progress made.

Goal
Other, please specify (Monitor and measure our performance and comply with all applicable EHS legal and other requirements, including those related to water)

Level
Company-wide

Motivation
Corporate social responsibility

Description of goal
We have an ongoing, annual goal to monitor and measure our performance and comply with all applicable EHS legal and other requirements, including those related to water. This commitment is stated in our EHS Policy. Goal Level: Global, company-wide. Achieving Water Security: Monitoring and measuring our performance and thus reducing water withdrawals helps achieve water security because we will withdraw less potable water overall. Importance: Access to an affordable, reliable and adequate freshwater supply is important to the success of our business because it is required across our operations to meet customer needs. The primary use of freshwater in our direct operations is for sanitation, drinking water, cooking, etc. In our manufacturing operations, freshwater is used for rinsing parts in our painting lines, cleaning, HVAC and cooling water, etc. Global Implementation: Flex recognizes its responsibility as a corporate citizen. Through our EHS management systems and policy, we have committed to monitoring and measuring our performance and complying with all applicable EHS legal and other requirements we subscribe (including water) to maintain our status as a responsible corporate citizen in all locations in which we operate. All sites are required to adopt and implement our social and environmental management system, to methodically identify, address, mitigate, and control site-level risks and are audited against our social and environmental audit protocol.

Baseline year
2019

Start year
2019

End year
2020

Progress
Threshold of success and description of indicators used to assess progress: (1) collecting water withdrawal and discharge data annually (2) achievement of our water target and (3) number of environmental violations related to water discharge or wastewater regulations. Flex has not had any water violations in 2020. This goal was achieved. In 2020, we exceeded both of our water management goals, achieving a 30% reduction in water withdrawn from 2015 and a 11% recycled water rate.

W9. Verification

W9.1

(W9.1) Do you verify any other water information reported in your CDP disclosure (not already covered by W5.1a)?
Yes

W9.1a

(W9.1a) Which data points within your CDP disclosure have been verified, and which standards were used?

Disclosure module	Data verified	Verification standard	Please explain
W1 Current state	Total Water Withdrawn	ISAE 3000	As part of our continual improvement process, we added a 3rd party verification process for water withdrawn. The standard was defined by the 3rd party based on their own expertise. We plan to do so, on an annual basis going forward.
W1 Current state	Total water recycled	ISAE 3000	As part of our continual improvement process, we added a 3rd party verification process for recycled water and we plan to extend this to other water data in the future. The standard was defined by the 3rd party based on their own expertise. We plan to do so on an annual basis going forward.
W1 Current state	% water recycled	ISAE 3000	As part of our continual improvement process, we added a 3rd party verification process for the % recycled water and we plan to extend this to other water data in the future. The standard was defined by the 3rd party based on their own expertise. We plan to do so, on an annual basis going forward.
W1 Current state	Total water discharged	ISAE 3000	As part of our continual improvement process, we added a 3rd party verification process for the total water discharged and we plan to extend this to other water data in the future. The standard was defined by the 3rd party based on their own expertise. We plan to do so, on an annual basis going forward.
W1 Current state	Total water consumption	ISAE 3000	As part of our continual improvement process, we added a 3rd party verification process for total water consumption and we plan to extend this to other water data in the future. The standard was defined by the 3rd party based on their own expertise. We plan to do so, on an annual basis going forward.
W1 Current state	Total Water Withdrawn by Source	ISAE 3000	As part of our continual improvement process, we added a 3rd party verification process for water withdrawn by source, and we plan to extend this to other water data in the future. The standard was defined by the 3rd party based on their own expertise. We plan to do so, on an annual basis going forward.

W10. Sign off

W-FI

(W-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.
DNV Draft Assurance Statement - Flex Final 8th June 21.pdf

W10.1

(W10.1) Provide details for the person that has signed off (approved) your CDP water response.

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

W10.2

(W10.2) Please indicate whether your organization agrees for CDP to transfer your publicly disclosed data on your impact and risk response strategies to the CEO Water Mandate's Water Action Hub [applies only to W2.1a (response to impacts), W4.2 and W4.2a (response to risks)].
Yes