



Flex Supplier Sustainability Program

Supply Chain Vision

“Flex is committed to continuously monitor and drive compliance to our social and environmental standards throughout its supply chain. These standards are included in Flex supplier training, which aligns with RBA standards. Our aim is to leverage the magnitude of our supply chain to make a positive impact in our industry.”

Global Procurement and Supply Chain Vision

To be recognized as a world class end to end global procurement organization through collaborative relationships with our customers and suppliers, technical expertise and focusing on quality, competitiveness and supply chain value.

Global Procurement and Supply Chain and our role in Sustainability

Flex is committed to developing and maintaining a sustainable supply base that delivers financial value, supplier continuity, quality and best in class solutions to customers and suppliers. We want to be known as the most trusted supply chain partner in the industry and inspire confidence with our employees, customers and suppliers that Flex does business by following all applicable laws and upholds the highest ethical and professional standards.



ecovadis 



RBA, Responsible Business Alliance

flex



Agenda

1. Supplier Sustainability Briefing

2. Flex's Supplier Sustainability Program

- a) Flex's Sustainable Program Activities
- b) Flex's Expectations for Suppliers
- c) Flex Sustainability Supplier Audit Flow
- d) Supplier Assessment Questionnaire
- e) Greenhouse Gas Emissions Program
- f) Renewable Energy Program

3. Responsible Business Alliance (formerly EICC) Code of Conduct and its requirements

- a) RBA Introduction
- b) RBA Code of Conduct 7.0
- c) Highlights
- d) Best Practices
- e) Flex Ethics Hotline

4. Validated Audit Process Initiative



Supplier Sustainability

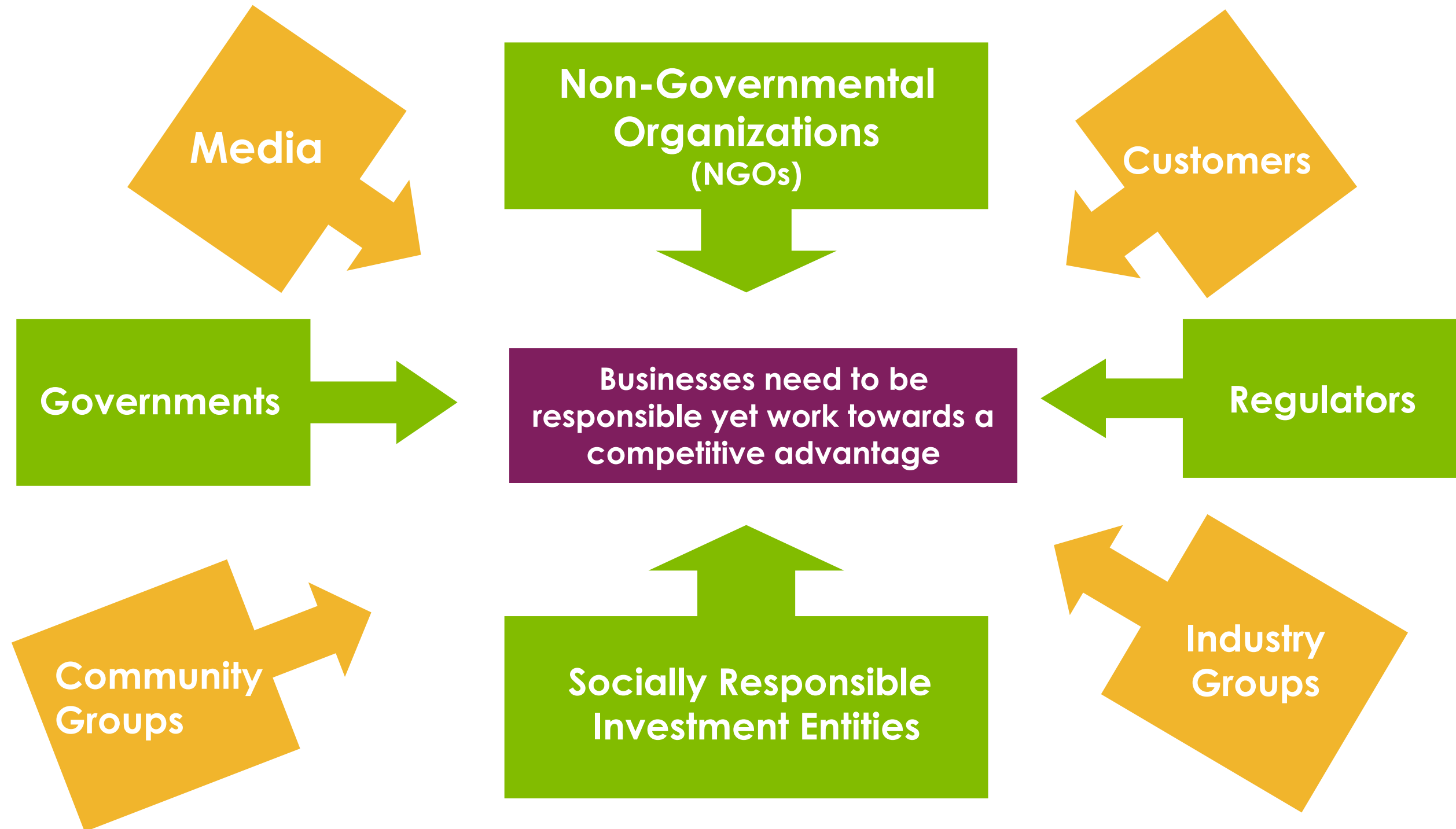
Businesses must be both **“PROFITABLE & RESPONSIBLE”**

“

Supplier Sustainability is the continuous commitment by businesses to behave ethically and contribute to the economic development while improving the quality of life of their workforce and families as well as the local community, environment and the society”



Major Industry Drivers



Why Sustainability?

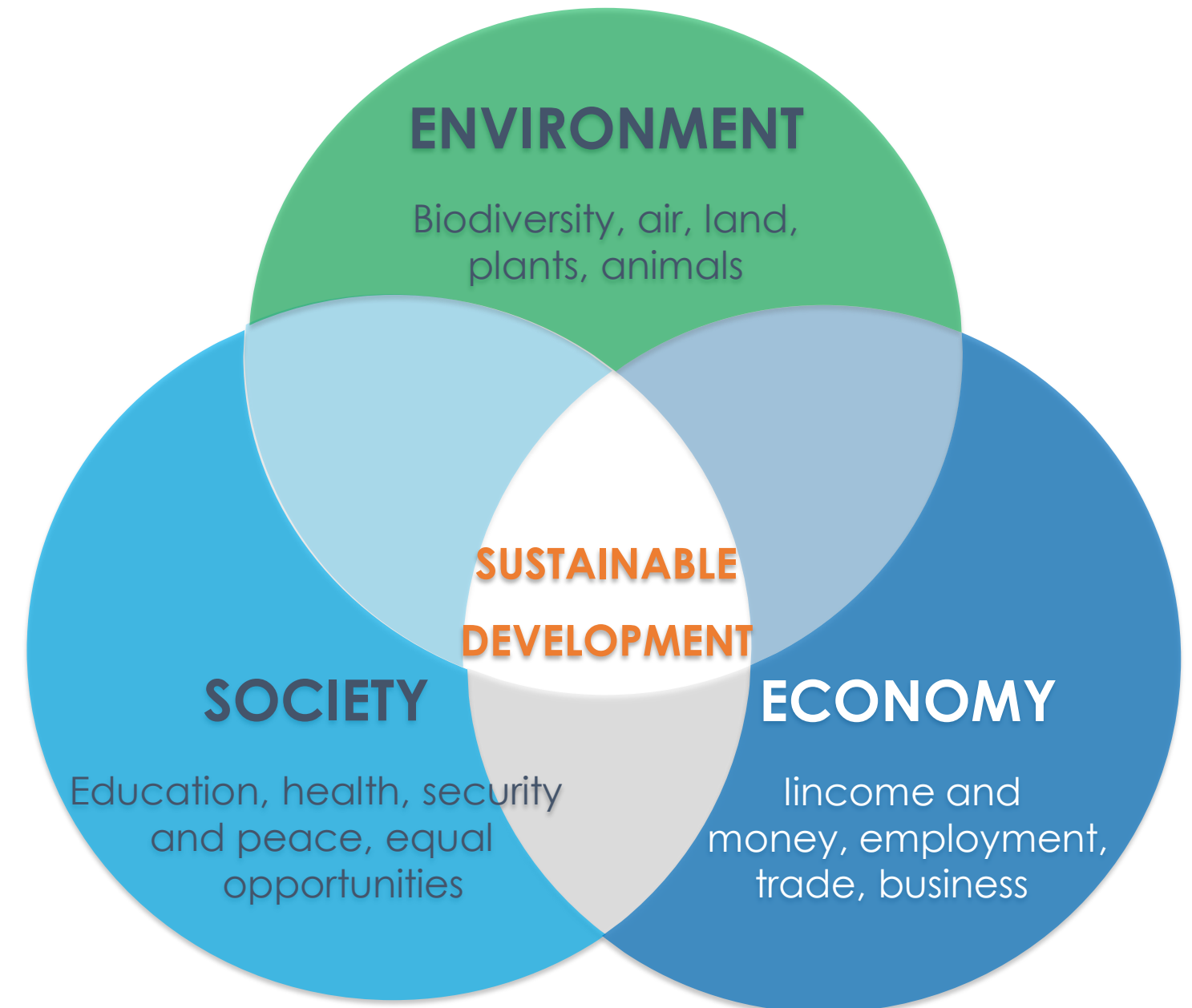
Economic profit is no longer the sole purpose of companies around the world, currently companies are also focused on taking responsibility for the social and environmental impact that their business has with the society, the environment and world around them.

Undertaking socially responsible initiatives is truly a win-win situation:

– **Direct business benefits:**

- Increase production efficiency
- Decrease employees' turnover

– **Gain customers' confidence**



Flex Supplier Sustainability Program

- a) Flex's Sustainable Program Activities
- b) Flex's Expectations for Suppliers
- c) Flex Supplier Sustainability Audit Flow
- d) Supplier Assessment Questionnaire (SAQ)
- e) Greenhouse Gas Emissions Program

Where are we today?

Flex is committed to continuously monitor and drive compliance to Flex social and environmental standards throughout its supply chain. Our aim is to leverage the magnitude of our supply chain to make a positive impact in our industry.

To support this initiative, we contribute to and align with external frameworks, including the UN Sustainable Development Goals (SDGs), the Sustainable Accounting Standards Board (SASB) and the UN Global Compact (UNGC). Additionally, our sustainable report is prepared in accordance with the GRI Standards.

Sustainability programs



External Organizations Flex Interfaces with

Flex bases our Sustainability Strategy on the following standards and organizations and report on yearly basis

- Founding members of the Responsible Business Alliance – RBA
- Science Based Target Initiatives – SBTi
- Dow Jones Sustainability Index – DJSI
- Global Reporting Initiative – GRI
- Carbon Disclosure Project – CDP
- Sustainability Accounting Standards Board – SASB
- Alignment to the UN SDGs
- Alignment to the UNGC



UN SDGs: United Nations Sustainable Development Goals
UNGC: United Nations Global Compact

Flex's Expectations for Suppliers

➤ Promote Positive Supplier Sustainability Activities

Suppliers are requested to understand their social responsibility and to promote Sustainability activities within their supply base.

➤ Conform to RBA Requirements

Supplier must read and understand Flex Supplier Code of Conduct and conform to those requirements, which are based on the RBA COC.

Encourage certification of ISO 45001 and ISO 14001.

➤ Contribute to Society and the Community

Suppliers should proactively participate in activities that contribute to the development of their local community and the global society.



Water Management

As part of Flex expectations and encouraged by a global movement towards a more context-based water reporting. Our aim is to save our water resource and reduce water pollution, to further protect the environment and maintain a sustainable development.

Flex expects their suppliers...

to increase their efforts on **water management within their facilities** and **involve their suppliers** as well.

Some Efforts

could be done through:

- ✓ Obtain a proper **environmental permit** from the Government in regards:
 - Discharge wastewater, airborne emissions, solid waste or hazardous waste per law requirement
- ✓ Have a **water policy**, or an equivalent document that sets water targets and goals and how they could be implemented
- ✓ **Climate-related scenario analysis** to inform your long-term business objectives and/or your strategy to achieve them
- ✓ **Engage with your supply chain on water-related issues**



Flex's Expectations for Suppliers

Water Management

Further efforts that could be done to commit to Water Management

- Reserve water (reduce water usage)
- Reduce wastewater discharge
- Storm water collection and use
- Prevent stormwater contamination with wastewater

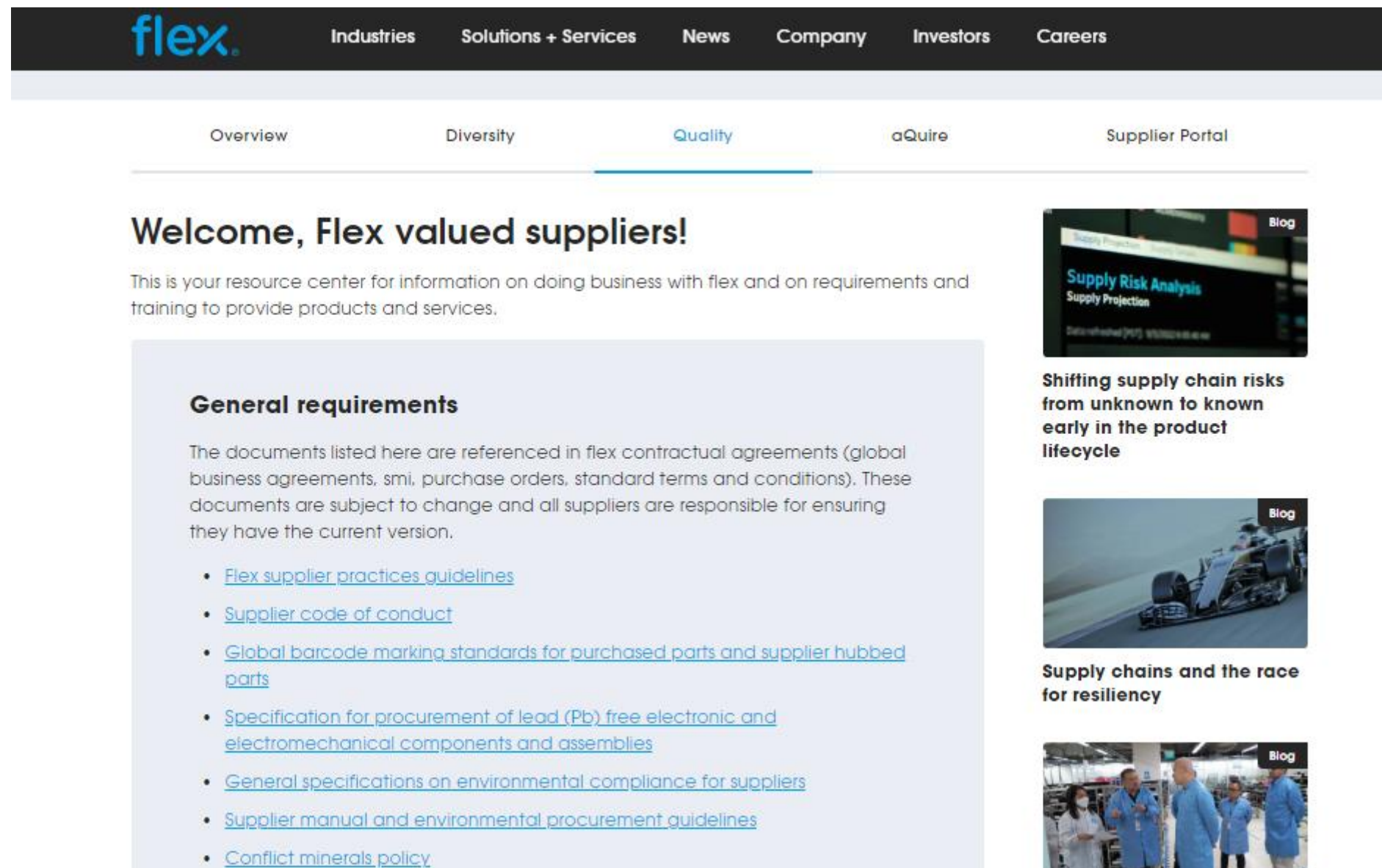


How to achieve these objectives:

- ✓ Advanced product design/machinery
- ✓ Adopt recycling system of wastewater
- ✓ Adopt storm water collection and usage system
- ✓ Separate storm water and wastewater pipes/flows



Flex's Expectations for Suppliers



The screenshot shows the Flex External Supplier Information Website. At the top is a dark navigation bar with the Flex logo and links for Industries, Solutions + Services, News, Company, Investors, and Careers. Below this is a secondary navigation bar with tabs for Overview, Diversity, Quality (which is selected), aquire, and Supplier Portal. The main content area features a welcome message for suppliers, a list of general requirements with hyperlinks, and three blog posts. The first blog post is titled 'Shifting supply chain risks from unknown to known early in the product lifecycle' and features a 'Supply Risk Analysis' chart. The second is 'Supply chains and the race for resiliency' with an image of a race car. The third is 'Supplier Sustainability Training' with an image of people in a factory setting.

flex. Industries Solutions + Services News Company Investors Careers

Overview Diversity **Quality** aquire Supplier Portal

Welcome, Flex valued suppliers!

This is your resource center for information on doing business with flex and on requirements and training to provide products and services.

General requirements

The documents listed here are referenced in flex contractual agreements (global business agreements, smi, purchase orders, standard terms and conditions). These documents are subject to change and all suppliers are responsible for ensuring they have the current version.

- [Flex supplier practices guidelines](#)
- [Supplier code of conduct](#)
- [Global barcode marking standards for purchased parts and supplier hubbed parts](#)
- [Specification for procurement of lead \(Pb\) free electronic and electromechanical components and assemblies](#)
- [General specifications on environmental compliance for suppliers](#)
- [Supplier manual and environmental procurement guidelines](#)
- [Conflict minerals policy](#)

Shifting supply chain risks from unknown to known early in the product lifecycle

Supply chains and the race for resiliency

Supplier Sustainability Training

Flex External Supplier Information Website

- [Supplier Code of Conduct](#)
- [General Specifications on Environmental Compliance for suppliers](#)
- [Conflict Minerals Policy](#)
- [Supplier Sustainability Training](#)

Supplier Sustainability Evaluation

❖ Supplier Assessment Questionnaire

Provides a universal format to evaluate supplier's management system capabilities embracing the following components:



Labor



Health & Safety



Environment



Ethics



Management system

❖ Supplier Sustainability audit flow



Letter to Supplier



Supplier Screening



Self Assessment Questionnaire



Risk Assessment



Sustainability On-Site Audit



Sustainability Assessment Report



Corrective Action Plan



Supplier Sustainability Audit – Next steps for high-risk suppliers

For identified high risk suppliers, Corporate Sustainability team will conduct a revision of the case with cross functional team as GCMs, SSCMS and local Quality and Supplier Sustainability managers to determine next steps and make appropriate decisions, including but not limited to the following:

- Supplier provide improvement plan → final audit would be arranged
- Remove suppliers from PSL list → business reduction
- Supplier replacement → replace business with an alternate supplier
- For suppliers with zero tolerance findings → business relationship will cease immediately

PS. Zero tolerance findings includes: child labor, forced labor, bonded labor, inhumane treatment, imminent health and safety issues as defined by VAP, imminent environmental risk as defined by VAP, falsifying records and bribery.



Greenhouse Gas Emissions

What are Greenhouse Gas Emissions?

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

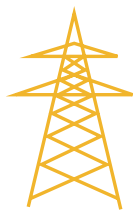
Primary anthropogenic sources of GHG emissions are the burning of fossil fuels for electricity, heat and transportation; and even land-use change, or agriculture.



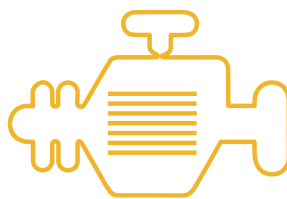
Mobile combustion



Agriculture

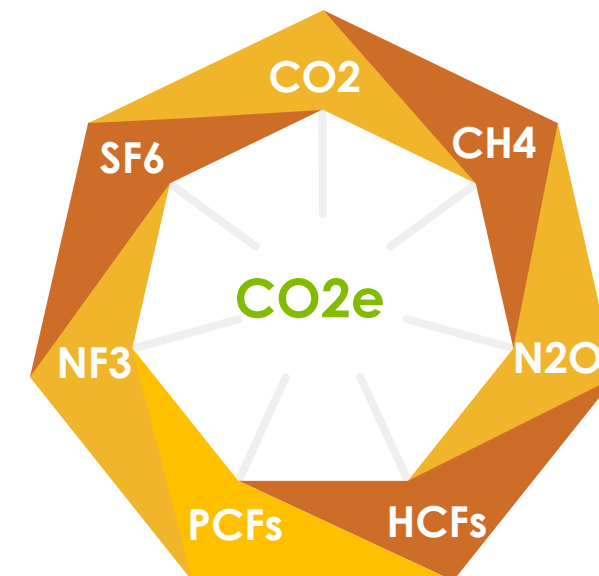


Purchased electricity/power plants



Stationary combustion

Some examples of greenhouse gases:



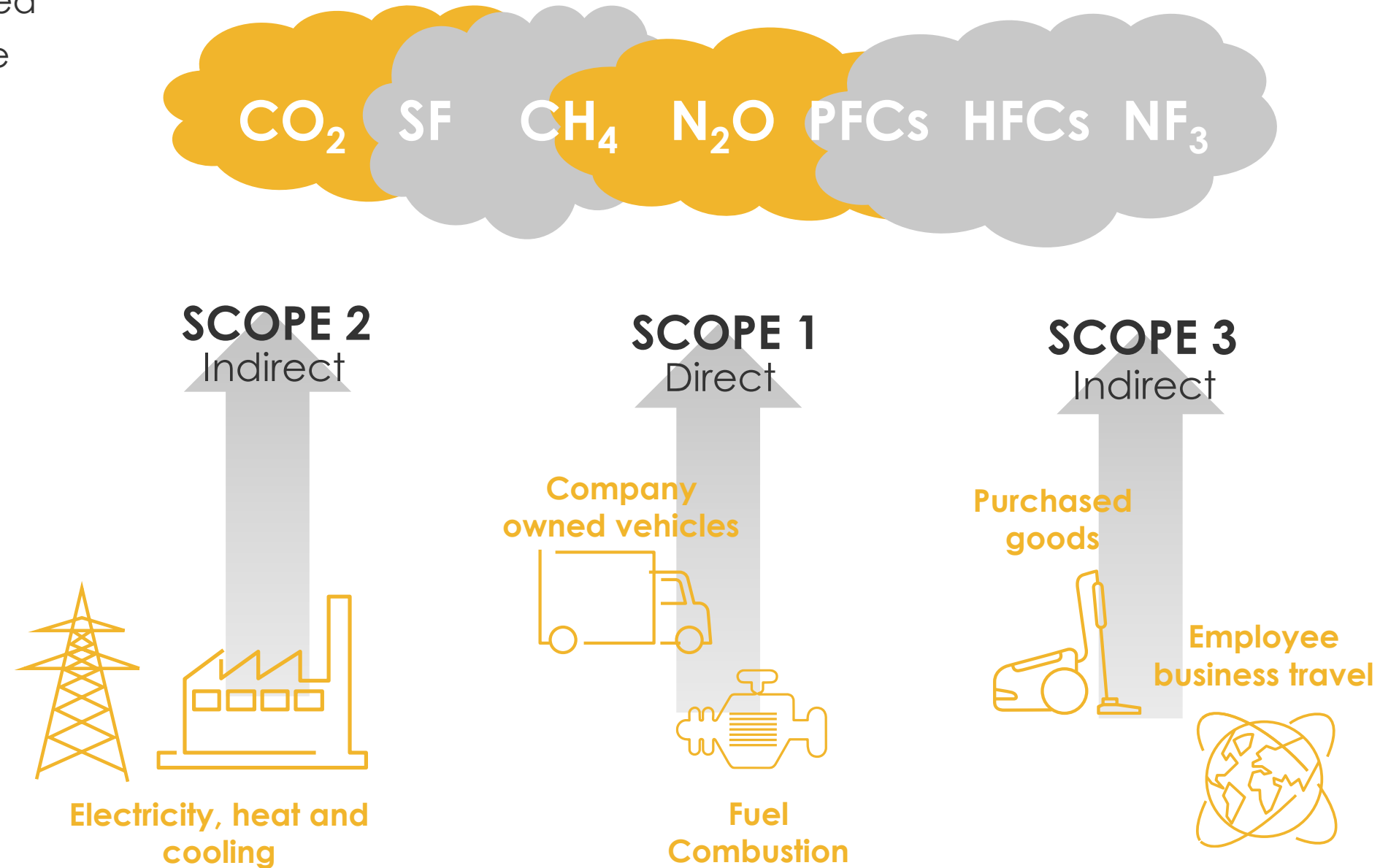
What does Scope 1, 2 and 3 mean in GHG emissions?

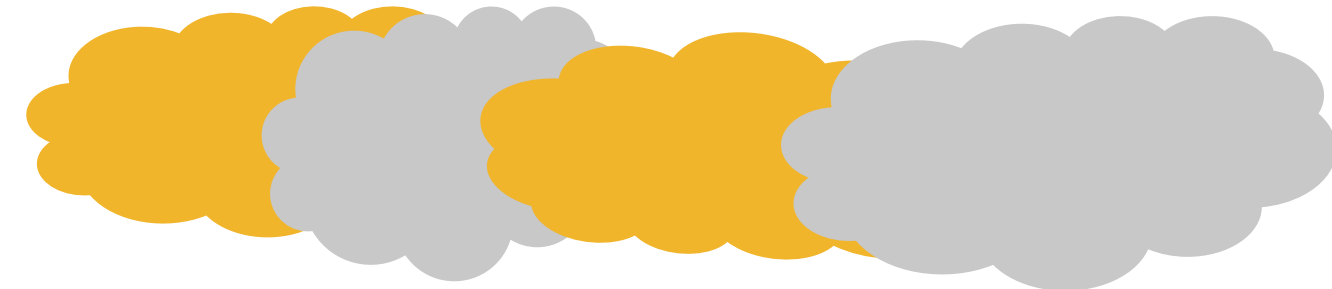
When talking about **GHG emissions** these are categorized in “**Scopes**” to have a better understanding of where the emissions are coming from.

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

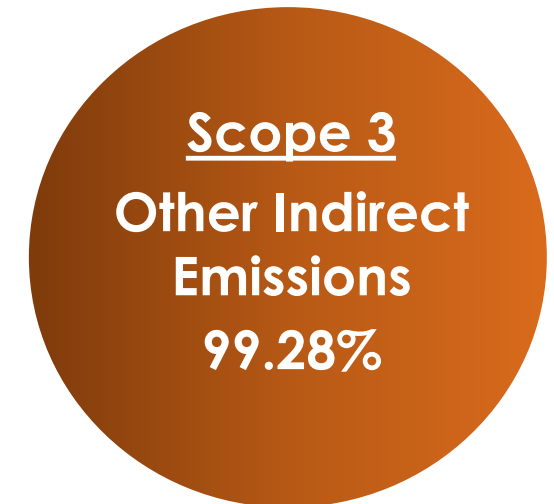
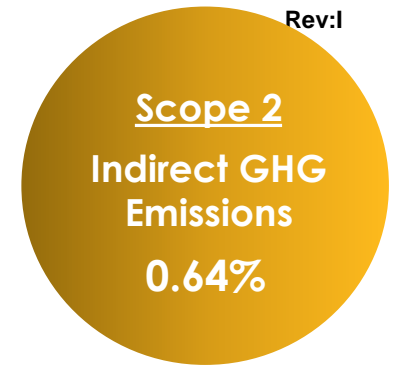
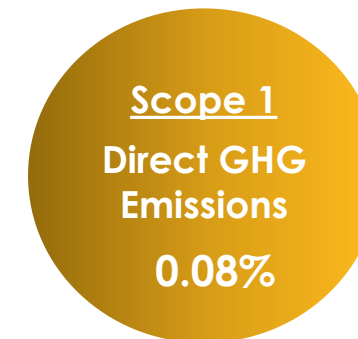
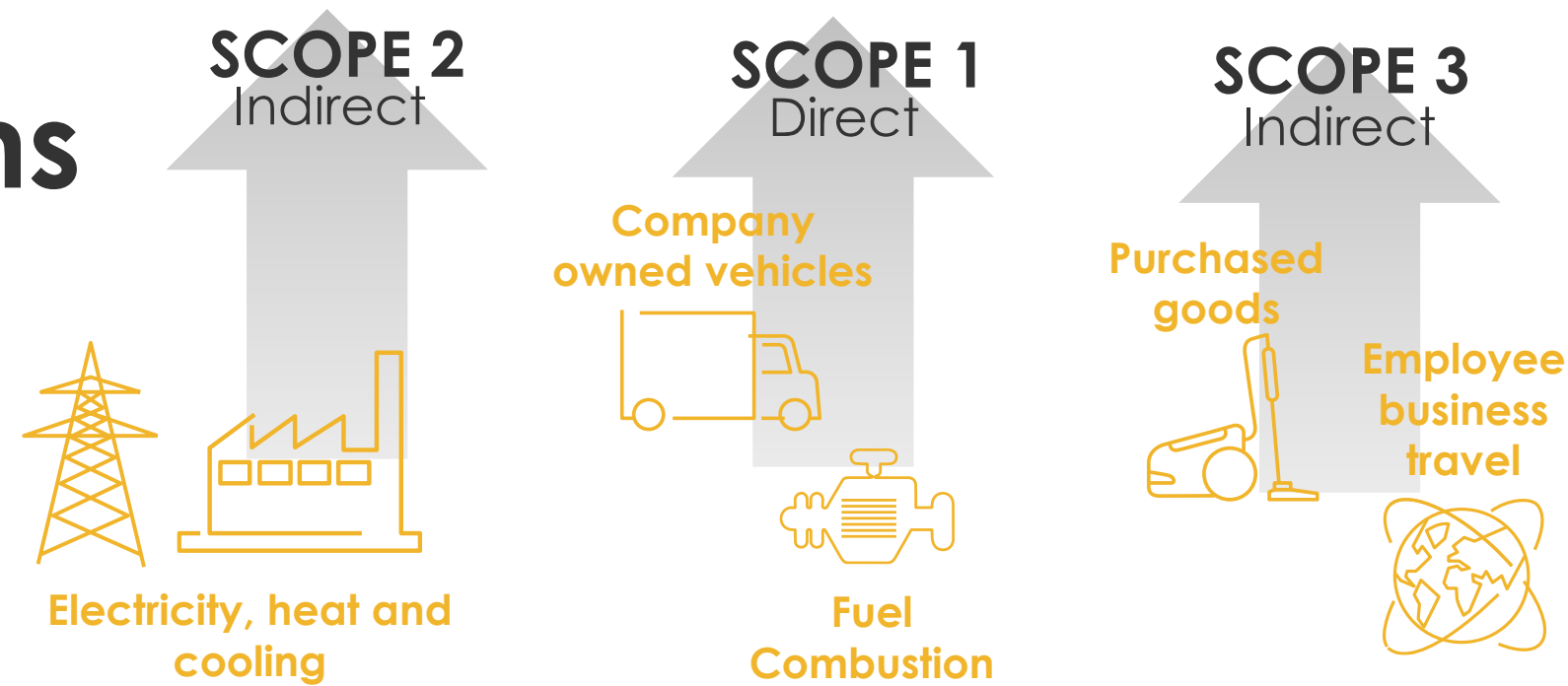
Scope 2 Indirect emissions from the purchase of electricity, steam, heat, and cooling.

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





GHG Emissions Reduction Activities



- Site efficiency and LED light fixtures replacement.
 - Expand and operate solar energy installations.
 - Efficient machinery for workplace and production area.
 - Create a program for more efficient products to be used inside manufacturing or office departments.
 - Apply for a certification (ISO 14001, LEED, etc.)
- Scope 1 & 2**

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

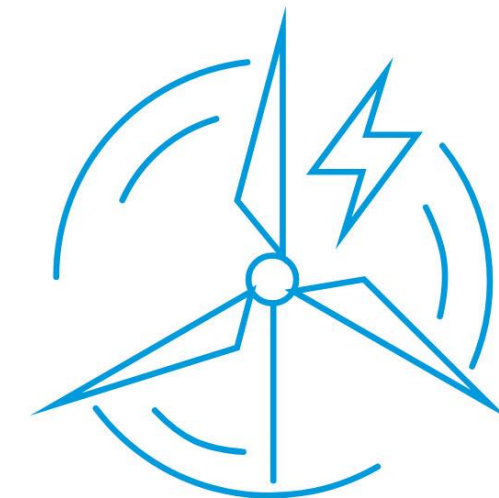
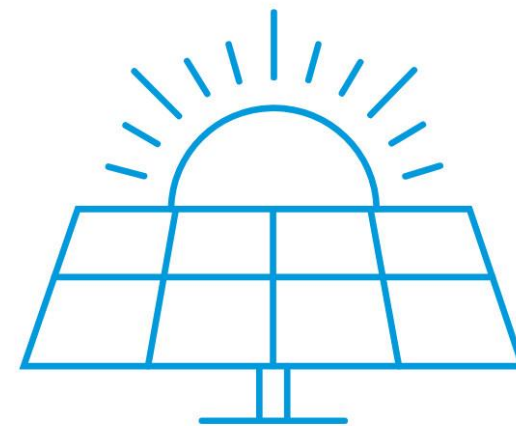


Renewable Energy

Renewable Energy

Renewable energy is any energy type that is generated from natural resources, this energy often comes from renewable energy technologies such as **solar energy, wind power, geothermal energy, biomass and hydroelectric power**. Each of these technologies works in different ways, whether that is by taking power from the sun, as with solar panels, or using wind turbines or the flow of water to generate energy.

Renewable energy is important for the environment as it replaces the negative effects of fossil fuels with more environmentally-friendly alternatives. Derived from natural resources, renewable energy is also often clean, meaning that they emit no or few greenhouse gases and are often readily available.

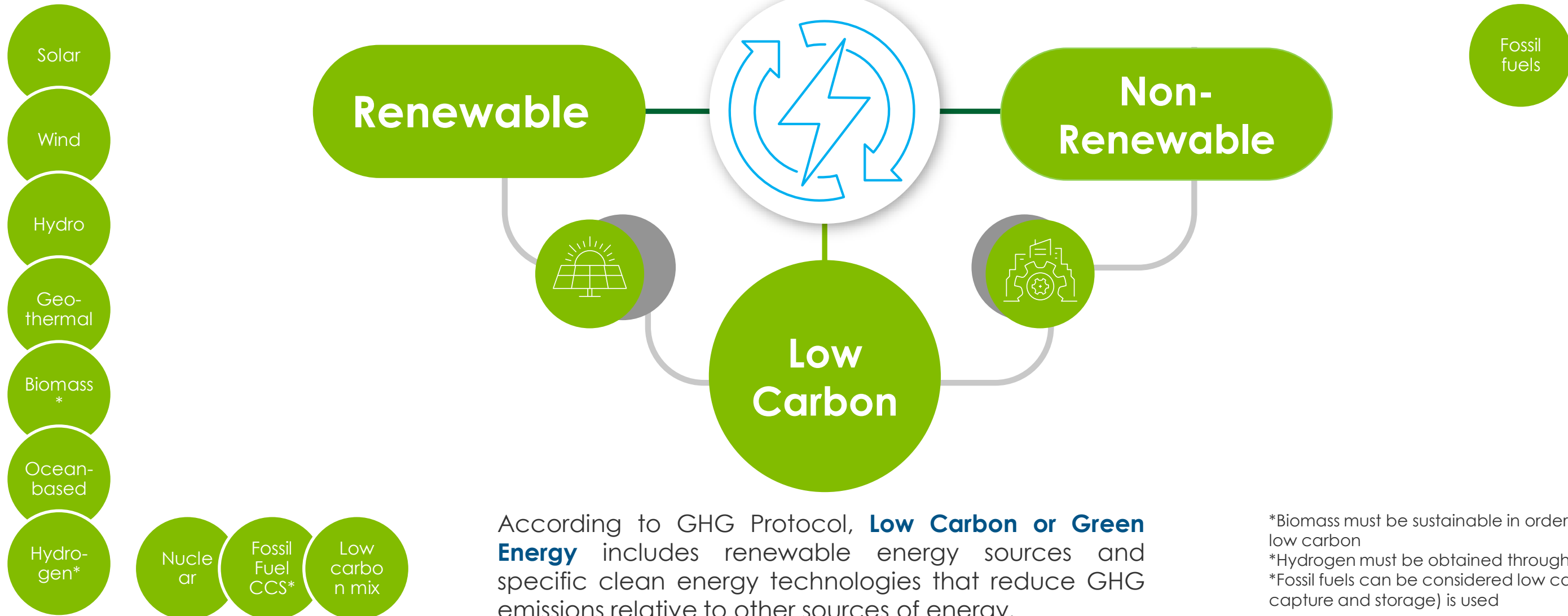


Energy Specs

Renewable, non-renewable and low carbon energy

According to GHG Protocol, **renewable energy** are fuels and energy obtained from sources that are ultimately replenished from natural solar and gravitational energy flows.

Non-renewable energy are fuels and energy obtained from sources that will not be replenished in our lifetime.



According to GHG Protocol, **Low Carbon or Green Energy** includes renewable energy sources and specific clean energy technologies that reduce GHG emissions relative to other sources of energy.

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

Energy and greenhouse gas management program

Renewable energy (RE) and greenhouse gas (GHG) management programs improve energy efficiency, optimize processes and reduce CO₂e emissions.

These programs focuses on:

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

To learn more about Flex and it's sustainability program feel free to browse [Flex Sustainability Page](#)

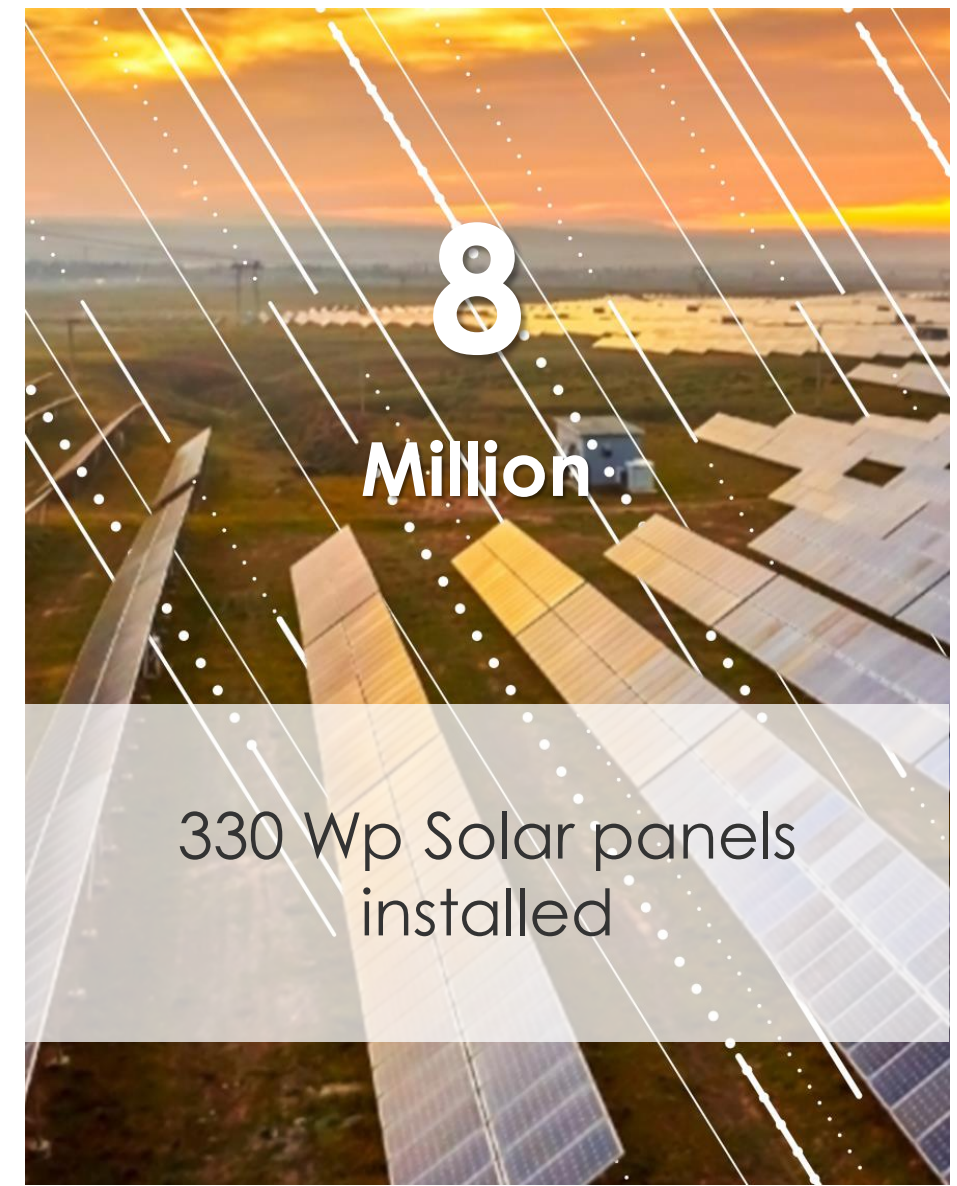
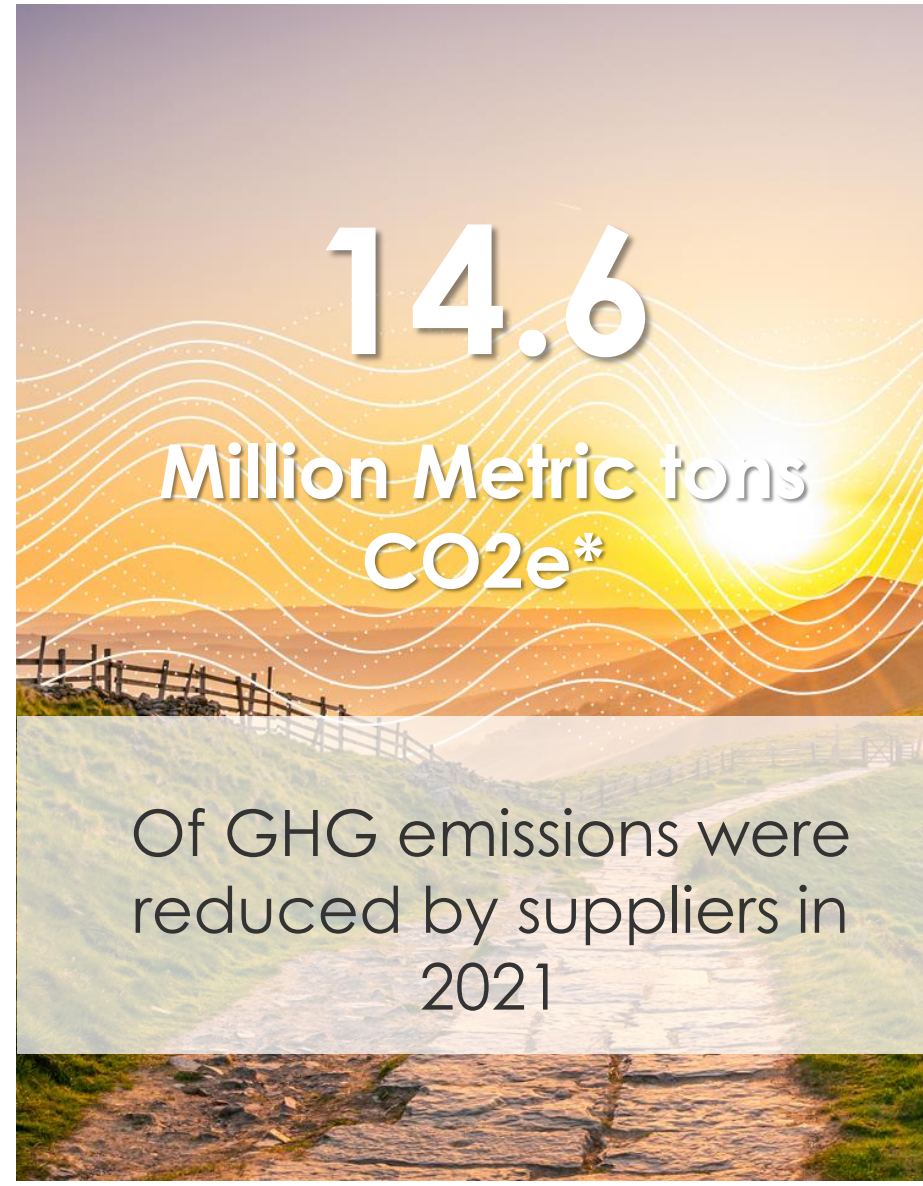


Zhuhai, China

90,000 solar panels with
11.35 MW capacity

Why your involvement is important

Improvement in environmental performance, managing risks, and reducing costs



*Estimation as reported by Flex suppliers on CDP in 2022

What is in it for me as a supplier?



Measure & reduce environmental impact
and benchmark impact against peers



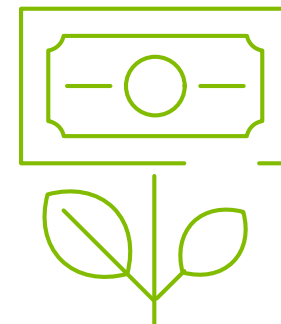
Identify cost savings
and areas to improve operational efficiency



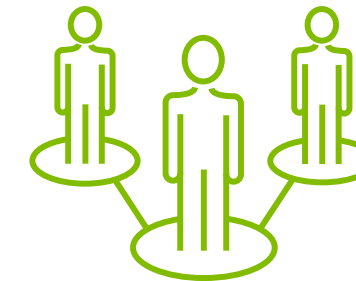
Identify risks & opportunities
and communicate risk management practices



Propose collaborative opportunities
and increase value from customer relationships



Gain more business within the industry
& competitive advantage



Demonstrate transparency
and operational competence to your customers

Responsible Business Alliance

Code of Conduct and its requirements

- a) RBA Introduction
- b) RBA Code of Conduct 7.0
- c) Best Practices
- d) Highlights
- e) Flex Ethics Hotline



Responsible Business Alliance

Advancing Sustainability Globally



The Responsible Business Alliance (RBA), formerly Electronic Industry Citizenship Coalition (EICC) was created in 2004 to represent electronics industry members as a single electronics industry voice to facilitate the creation of mechanisms to demonstrate that this industry is:

Promoting

responsible business practices to improve social and environmental conditions across the global electronic supply chain.

Paving

the way for a standards-based approach for monitoring suppliers' performance across several areas of social responsibility, including labor practices, health and safety, ethics, and protection of the environment.

Reflecting

on the participating companies' commitment to leadership in the area of corporate social responsibility that will potentially reduce inefficiency and duplication and make performance easier to audit and verify.



RBA Members -- More than 150



Flex Supplier Code of Conduct

While conducting business with or on behalf of Flex, Flex suppliers and their employees, agents, and subcontractors must understand and adhere to **Flex Supplier Code of Conduct**. Flex expects all its suppliers to implement appropriate and effective policies to ensure compliance with this Code and all relevant laws and regulations.

This 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. (i.e., labor agencies)

Flex Code of Conduct
is made up of

Five Sections

Sections A, B, and C

Outline standards for Labor, Health and Safety, and the Environment respectively

Section D

Provides the guidelines for Business Ethics

Sections E

Outlines the elements of an acceptable system to manage conformity to the RBA Code



RBA Code of Conduct

A Suppliers should be committed to **uphold the human rights of workers**, and to treat them with **dignity and respect** as understood by the international community

Labor

Suppliers should

- Provide freely chosen employment and **prohibit forced labor**
- **Prohibit child labor**
- Regulate **working hours**
- Pay and provide **appropriate wages and benefits**
- Prohibit inhumane treatment
- Prohibit discrimination
- Respect the right to freedom of association



RBA COC – Labor

• Freely Chosen Employment

(2) There shall be no unreasonable restrictions on **workers' freedom of movement** in the facility in addition to unreasonable restrictions on entering or exiting company provided facilities **including, if applicable, workers' dormitories or living quarters.**

(4) Workers shall not be required to pay employers' **agents or sub-agents' recruitment fees or other related fees for their employment.** If any such fees are found to have been paid by workers, such fees shall be repaid to the worker.

(5) All work must be voluntary, and workers shall be free to leave work at any time or terminate their employment **without penalty if reasonable notice is given as per worker's contract.** Employers, agents, and sub-agents' may **not hold or otherwise destroy, conceal, or confiscate identity or immigration documents, such as government-issued identification, passports, or work permits.** Employers can only hold documentation if such holdings are required by law. **In this case, at no time should workers be denied access to their documents.**



(1) **Forced, bonded (including debt bondage) or indentured labor, involuntary or exploitative prison labor, slavery or trafficking of persons** is not permitted. This includes transporting, harboring, recruiting, transferring, or receiving persons by means of threat, force, coercion, abduction or fraud for labor or services.

(3) As part of the hiring process, all workers must be provided with **a written employment agreement in their native language** that **contains a description of terms and conditions of employment.** **Foreign migrant workers must receive the employment agreement** prior to the worker departing from his or her country of origin and there shall be no substitution or change(s) allowed in the employment agreement upon arrival in the receiving country unless these changes are made to meet local law and provide equal or better terms.



RBA COC – Labor

- **Young Worker**



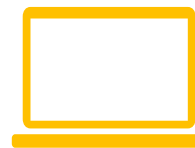
No Hiring Child Labor

(1) **Child labor is not to be used in any stage of manufacturing.** The term “**child**” refers to any person under **the age of 15 (Chinese law defines as 16 years old)**, or under the age for completing compulsory education, or under the minimum age for employment in the country, whichever is stricter. **Participants shall implement an appropriate mechanism to verify the age of workers.** The use of legitimate workplace learning programs, which comply with all laws and regulations, is supported.



Due Diligence

(2) **Participant shall ensure proper management of student workers through proper maintenance of student records, rigorous due diligence of educational partners,** and protection of students' rights in accordance with applicable laws and regulations.



Provide training to student workers

(3) **Participant shall provide appropriate support and training to all student workers.** In the absence of local law, the wage rate for student workers, interns and apprentices shall be at least the same wage rate as other entry-level workers performing equal or similar tasks. **If child labor is identified, assistance/remediation is provided.**



No performing work that is likely to jeopardize health or safety

(4) **Workers under the age of 18 (Young Workers) shall not perform work that is likely to jeopardize their health or safety,** including **night shifts and overtime.**



Labor

RBA COC – Labor

Notes for Young workers

1. Young workers **are NOT allowed to do:**

- Perform overtime work or nightwork.
- Dust, high altitude, high temperature, low temperature operation;
- Fourth-level manual labor-intensive operations, assembly line operations greater than 50 times per minute;
- Contact with lead, benzene, mercury, formaldehyde, carbon disulfide and other operations that can easily cause allergic reactions.

2. The **medical examination** is carried out according to the requirements of the regulations, and the cost is borne by the company.

3. The employer shall register the use of juvenile workers according to local requirement.

4. Employers should conduct relevant occupational safety and health education and training before juvenile workers take up their jobs.



RBA COC – Labor

Working Hour

Working hours are not to exceed the maximum set by local law

≤ 60H/week (including overtime)

At least one day off every seven days

All overtime must be voluntary

Wage & Benefits

Comply with all applicable wage laws including those relating to **minimum wages**, **overtime hours** and legally mandated **benefits**.

Deductions from wages as a disciplinary measure is **NOT permitted**

A timely and understandable **wage statement** is provided

All use of **temporary**, **dispatch** and **outsourced labor** will be within the limits of the local law



A

Labor

RBA COC – Labor

- **Humane Treatment**

There is to be no harsh or inhumane treatment including **violence**, **gender-based violence**, sexual harassment, sexual abuse, **corporal punishment**, **mental or physical coercion**, **bullying**, **public shaming**, or verbal abuse of workers; nor is there to be the threat of any such treatment. Disciplinary policies and procedures in support of these requirements shall be clearly defined and communicated to workers.



- **Non-Discrimination/Non-harassment**

- I. Participants should be committed to a **workplace** free of harassment and unlawful discrimination.
- II. Companies shall not engage in discrimination **or harassment** based on race, color, age, gender, sexual orientation, gender identity and expression, ethnicity or national origin, disability, pregnancy, religion, political affiliation, union membership, covered veteran status, protected genetic information or marital status in hiring and employment practices such as wages, promotions, rewards, and access to training.
- III. Workers shall be provided with **reasonable accommodation for religious practices**.
- IV. In addition, workers or potential workers should not be subjected to **medical tests**, including **pregnancy or virginity tests**, or physical exams that could be used in a discriminatory way. **This was drafted in consideration of ILO Discrimination (Employment and Occupation) Convention (No.111).**



RBA COC – Labor

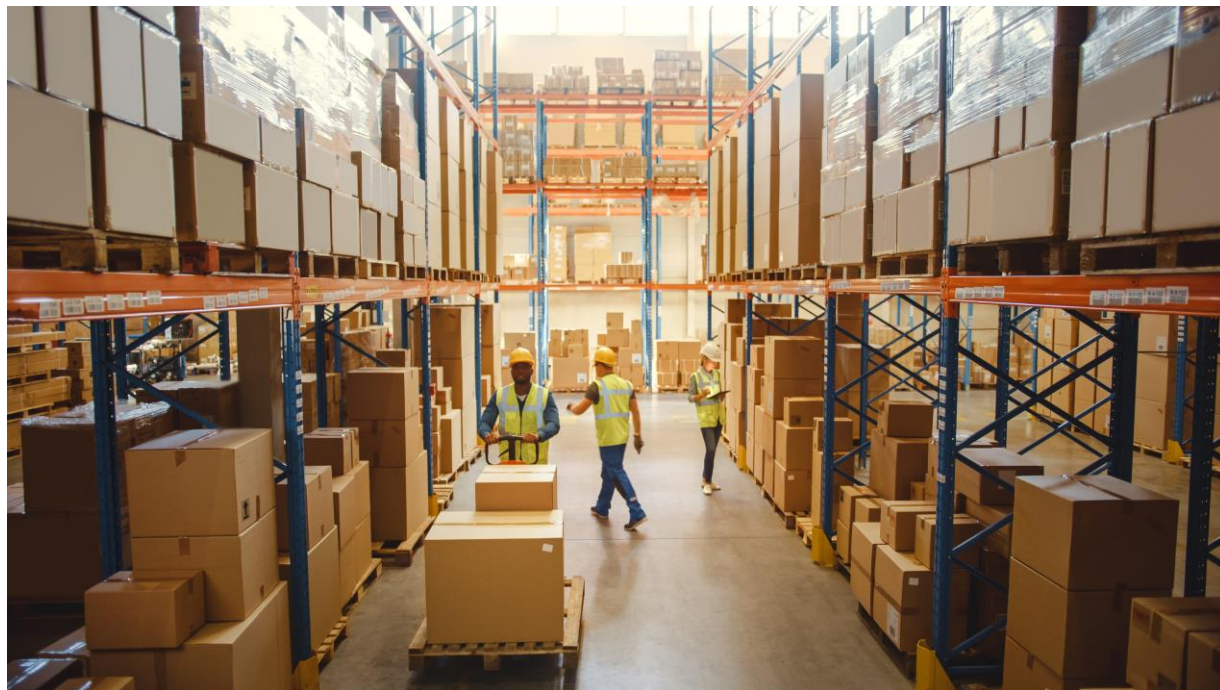
- **Freedom of Association**

In conformance with local law, participants shall **respect the right of all workers to form and join trade unions of their own choosing**, to bargain collectively, and to engage in peaceful assembly as well as respect the right of workers to refrain from such activities. Workers and/or their representatives shall be able to **openly communicate and share ideas and concerns** with management regarding working conditions and management practices **without fear of discrimination, reprisal, intimidation, or harassment**.



New US labor regulation

We wanted to let you know that the **Uyghur Forced Labor Prevention Act (UFLPA)** became enforceable on U.S. importers on **June 21, 2022**. The Act prohibits import into the United States of goods produced in whole or part in the Xinjiang Uyghur Autonomous Region of China (XUAR), or by certain companies identified by the U.S. government as active in the XUAR, unless the importer can demonstrate with clear and convincing evidence that those goods were not produced using forced labor.



The U.S. government provides resources to help importers meet this legal requirement, including a **Department of Homeland Security Strategy** and **U.S. Customs and Border Protection Operational Guidance for Importers**.

Sourcing practices for suppliers

- **Supply chain management:** Enhance supply chain tracing and take supply chain management measures, such as putting contractual obligations in place to comply with your code of conduct and applicable laws governing trade and forced labor.
- **Engage stakeholders and partners:** Keep informed and work closely with them to address common challenges in combatting forced labor.
- **Identify potential supply chain exposure to companies operating in the XUAR, in the [entity list](#), or linked to them.** Where relevant, establish a process for demonstrating with clear and convincing evidence that material and labor from the XUAR is free from any possibility of forced labor or coercion.
- **Assess risks and impacts:** Develop appropriate measures to identify UFLPA risks and potential adverse impacts. Analyze the severity and the likelihood of these risks.
- **Make sure you have a code of conduct that prohibits forced labor by your company and its suppliers.**



- **Communicate and train across your supply chain.**
- **Monitor compliance with the code of conduct within your company and by your suppliers and address any weaknesses you find.**
- **Notify Flex about any import detention by the U.S. government, or any human rights issues in your operations or supply chain that may trigger trade restrictions or raise forced labor risks within Flex's supply chain.** This should be done within 24 hours.
- **As practicable put mechanisms in place to gather and provide [the information that CBP or Flex may request](#) in case any UFLPA allegation arise.**

RBA Code of Conduct

Suppliers must provide their employees with a safe and healthy workplace in compliance with all applicable laws and regulations

B

Health & Safety

C

Environment

Suppliers should:

- Minimize environmental pollution and promote resource reduction
- Obtain environmental **permit & reporting** of requirements
- Control and manage **hazardous chemicals and substances** in products and manufacturing
- Promote **waste reduction**
- Control and manage air emissions
- Apply safety measures for equipment and instruments
- Promote industrial hygiene in the workplace
- Identify, evaluate, and control physically demanding work
- Properly manage disasters and accidents as well as manage emergency procedures
- Provide **clean, safe dormitories and canteens with emergency exits** as well as personal space

RBA COC– Health and Safety

Occupational Safety

- I. Worker potential for exposure to **health and safety hazards** (chemical, electrical and other energy sources, fire, vehicles, and fall hazards, etc.) are to **be identified and assessed, mitigated using the Hierarchy of Controls, which includes eliminating the hazard, substituting processes or materials, controlling** through proper design, **implementing** engineering and administrative controls, preventative maintenance and safe work procedures (including lockout/tagout), and **providing** ongoing **occupational health and safety training**.
- II. Where hazards cannot be adequately controlled by these means, workers are to be provided with appropriate, well-maintained, personal protective equipment, and educational materials about risks to them associated with these hazards. Reasonable steps must also be taken to **remove pregnant women and 'nursing mothers from working conditions with high hazards, remove or reduce any workplace health and safety risks** to pregnant women and nursing mothers, including those associated with their work assignments, and **provide reasonable accommodations for nursing mothers**.



RBA COC– Health and Safety

• Emergency Preparedness

I. Potential emergency situations and events are to be identified and assessed, and their impact minimized by implementing emergency plans and response procedures including emergency reporting, employee notification and evacuation procedures, **worker training**, and drills.

II. Emergency drills must be executed at least annually or as required by local law, whichever is more stringent. Emergency plans should also include appropriate fire detection and suppression equipment, **clear and unobstructed egress, adequate exit facilities, contact information for emergency responders**, and recovery plans. Such plans and procedures shall focus on minimizing harm to life, the environment, and property.



• Occupational Injury & Illness

Procedures and systems are to be in place to **prevent, manage, track and report occupational injury and illness**, including provisions to encourage worker reporting, classify and record injury and illness cases, **provide necessary medical treatment, investigate cases and implement corrective actions** to eliminate their causes, and facilitate the return of workers to work



RBA COC– Health and Safety

• Industrial Hygiene

Worker exposure to chemical, biological, and physical agents is to be identified, evaluated, and controlled according to the Hierarchy of Controls. If any potential hazards were identified, participants shall look for opportunities to eliminate and/or reduce the potential hazards. **If elimination or reduction of the hazards is not feasible, potential hazards are to be controlled through proper design, engineering, and administrative controls.** When hazards cannot be adequately controlled by such means, workers are to be provided with and use appropriate, well-maintained, **personal protective equipment free of charge.** **Protective programs** shall be ongoing and include educational materials about the risks associated with these hazards.



• Sanitation, Food & Housing

Workers are to be provided with ready access to clean toilet facilities, potable water and sanitary **food** preparation, storage, and eating facilities. Worker dormitories provided by the participant, or a labor agent are to be maintained to be clean and safe, and provided with appropriate **emergency egress, hot water for bathing and showering, adequate lighting heat and ventilation, individually secured accommodations for storing personal and valuable items,** and reasonable personal space along with reasonable entry and exit privileges.



RBA COC– Health and Safety

- **Physically Demanding Work**

Worker exposure to the hazards of physically demanding tasks, including **manual material handling and heavy or repetitive lifting, prolonged standing, and highly repetitive or forceful assembly tasks** is to be identified, evaluated, and controlled.



- **Machine Safeguarding**

Production and other machinery shall be evaluated for safety hazards. Physical guards, interlocks and barriers are to be provided and properly maintained where machinery presents an injury hazard to workers.



RBA COC– Health and Safety

- Health and Safety Communication

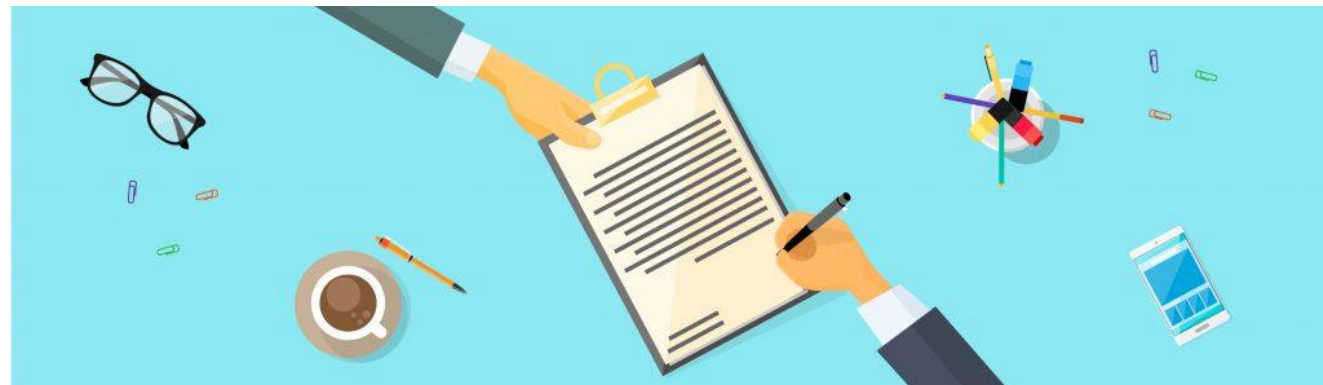


- I. Participants shall provide workers with **appropriate workplace health and safety information and training in the language of the worker** or in a language the worker can understand for **all identified workplace hazards** that workers are exposed to, including but not limited to mechanical, electrical, chemical, fire, and physical hazards.
- II. Health and safety related information shall be clearly **posted in the facility or placed in a location identifiable and accessible by workers**. Training is provided to all workers prior to the beginning of work and regularly thereafter. Workers shall be encouraged to raise **any health and safety concerns without retaliation**.

RBA COC – Environment

- **Environmental Permits and Reporting**

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



- **Pollution Prevention & Resource Reduction**

- I. Emissions and discharges of pollutants and generation of waste are to be minimized or eliminated at the source or by practices such as adding pollution control equipment; modifying production, maintenance and facility processes; or by other means.
- II. The use of **natural resources**, including **water, fossil fuels**, minerals and virgin forest products, is to be conserved or by practices such as modifying production, maintenance and facility processes, materials substitution, re-use, conservation, recycling or other means.



RBA COC – Environment

- **Hazardous Substances**

Chemicals, wastes and other materials posing a hazard to humans, or the environment are to be **identified, labelled and managed** to ensure their safe handling, movement, storage, use, recycling or reuse and disposal.

- **Solid Waste**

Participant shall implement a systematic approach to **identify, manage, reduce, and responsibly dispose of** or recycle solid waste (non-hazardous).

- **Air Emissions**

Air emissions of **volatile organic chemicals, aerosols, corrosives, particulates, ozone depleting substances, and combustion byproducts** generated from operations are to be characterized, routinely monitored, controlled, and treated as required prior to discharge. **Ozone depleting substances are to be effectively managed in accordance with the Montreal Protocol and applicable regulations.** Participants shall conduct routine monitoring of the performance of its air emission control systems.



RBA COC – Environment

- **Materials Restrictions**

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

- **Water Management**

Participant shall implement a water management program that documents, characterizes, and monitors water sources, use and discharge; seeks opportunities to conserve water; and controls channels of contamination. All wastewater is to be **characterized, monitored, controlled, and treated** as required prior to discharge or disposal. Participant shall conduct routine monitoring of the performance of its wastewater treatment and containment systems to ensure optimal performance and regulatory compliance.

- **Energy Consumption and Greenhouse Gas Emissions**

Participants are to establish a corporate-wide greenhouse gas reduction goal. Energy consumption and all relevant Scopes 1 and 2 greenhouse gas emissions are to be tracked, documented, and publicly reported against the greenhouse gas reduction goal. Participants are to look for methods to improve energy efficiency and to minimize their energy consumption and greenhouse gas emissions.



RBA Code of Conduct

D

Ethics

Suppliers are required to uphold the highest standards of ethics.

Suppliers must comply with all laws and regulations on **bribery**, **corruption**, and **prohibited business practices**.



Suppliers should:

- Operate businesses with impeccable business integrity
- Prohibit corruption and bribery
- Prohibit the receiving and offering of improper advantage
- Provide/disclose accurate information on products and services
- Respect intellectual property
- Prohibit impediment to fair, transparent, and free competition
- Protect identity and confidentiality

RBA COC – Ethics

1) Business Integrity

The highest standards of integrity are to be upheld in all business interactions. Participants shall have a zero-tolerance policy to prohibit all forms of bribery, corruption, extortion and embezzlement.

3) Disclosure of Information

All business dealings should be transparently performed and accurately reflected on Participant's business books and records. Information regarding participant labor, health and safety, environmental practices, business activities, structure, financial situation and performance is to be disclosed in accordance with applicable regulations and prevailing industry practices. Falsification of records or misrepresentation of conditions or practices in the supply chain are unacceptable.

2) No Improper Advantage

Bribes or other means of obtaining undue or improper advantage are not to be promised, offered, authorized, given, or accepted. This prohibition covers promising, offering, authorizing, giving or accepting anything of value, either directly or indirectly through a third party, in order to obtain or retain business, direct business to any person, or otherwise gain an improper advantage. Monitoring, **record keeping**, and enforcement procedures shall be implemented to ensure compliance with anti-corruption laws.

4) Intellectual Property

Intellectual property rights are to be respected; transfer of technology and know-how is to be done in a manner that protects intellectual property rights; and customer and supplier information is to be safeguarded.



RBA COC – Ethics

5) Fair Business, Advertising and Competition

Standards of fair business, advertising and competition are to be upheld.

6) Protection of Identity and Non-Retaliation

Programs that ensure the confidentiality, anonymity and protection of supplier and employee whistleblowers 2 are to be maintained, unless prohibited by law. Participants should have a communicated process for their personnel to be able to raise any concerns without fear of retaliation.

7) Responsible Sourcing of Minerals

Participants shall adopt a policy and exercise due diligence on the source and chain of custody of the tantalum, tin, tungsten, and gold in the products they manufacture to reasonably assure that they are sourced in a way consistent with the Organization for Economic Co-operation and Development (OECD) Guidance for Responsible Supply Chains of Minerals from Conflict Affected and High-Risk Areas or an equivalent and recognized due diligence framework.

8) Privacy

Participants are to commit to protecting the reasonable privacy expectations of personal information of everyone they do business with, including suppliers, customers, consumers and employees. Participants are to comply with privacy and information security laws and regulatory requirements when personal information is collected, stored, processed, transmitted, and shared.



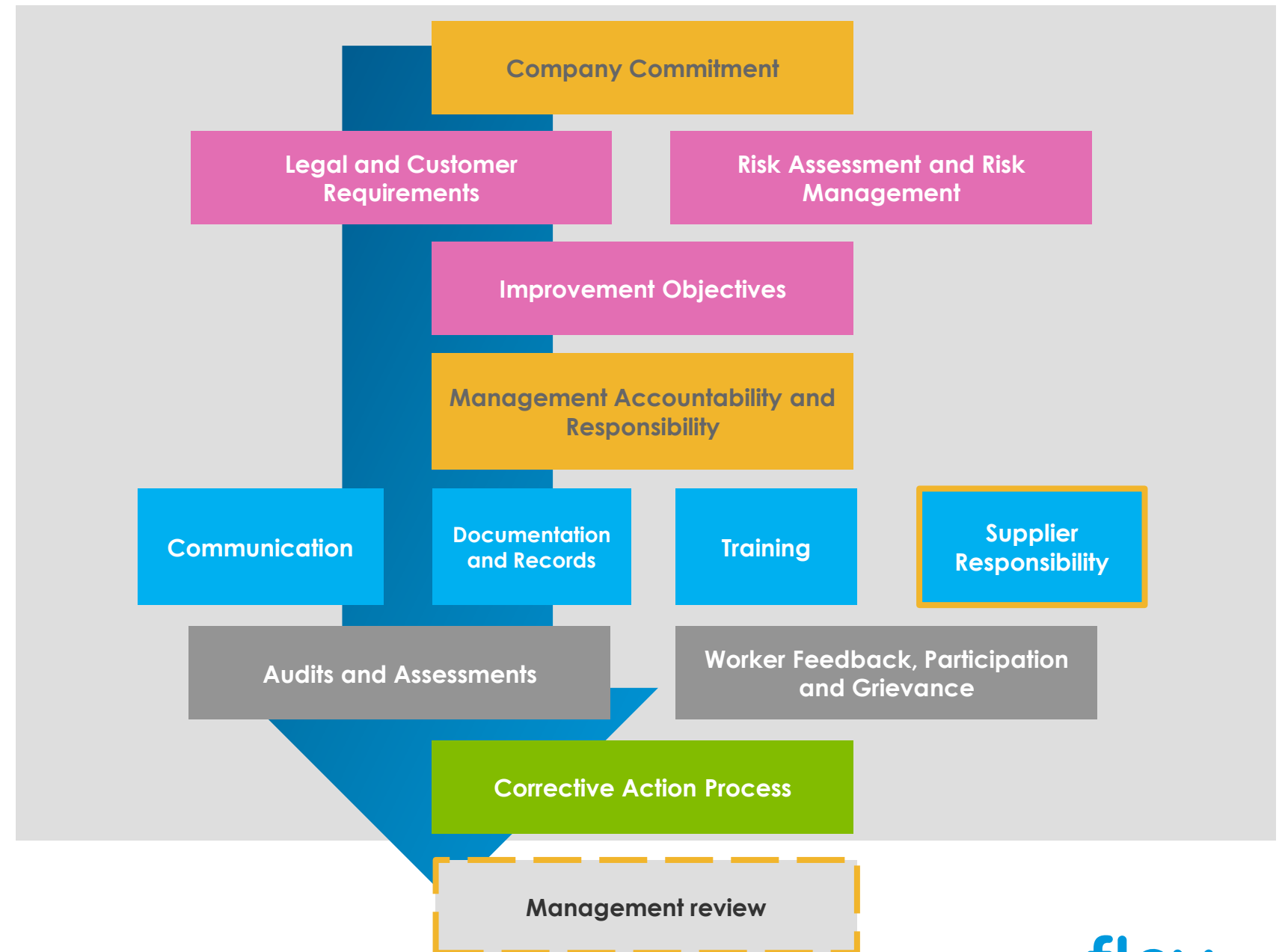
RBA Code of Conduct

E

Management system

The Supplier should adopt or establish a management system which is committed on supporting the principles of the RBA Code of Conduct.

- Compliance with applicable laws, regulations, and customer requirements related to the supplier's operation and product;
- Conformance with the RBA Code of Conduct;
- Identification and mitigation of related operational risks;
- Facilitation of continuous improvement.





RBA Code of Conduct Highlights

Highlight - Working Hours / Days Off Guidance

Working Hours Studies

- Worker reduces productivity
- Increased turnover and
- Increased injury and illness
- A workweek should not be more than **60 hours per week**, including overtime, except in emergency or unusual situations
- Workers shall be allowed **at least one day off in every seven days**



Emergency or Unusual Situations

Unpredictable events that require overtime in excess of legal or RBA limits.

Examples

- Equipment breakdown, power failure or other emergency resulting in prolonged shutdown of a production line
- Unforeseen raw material or component shortages or quality issues that shut down production



Excessive overtime is then needed in both situations to recoup lost production time and meet customer commitments.

In all these cases **evidence of FEWER hours worked before** a period of excessive production in Emergency or unusual situation is **present and documented**.

Highlight - Working Hours / Days Off Guidance



When a situation is **NOT** categorized as “emergency” or “unusual”?

Examples

- ❖ **Peak season production demands and new product ramps.** Both of these are predictable and proper planning can minimize overtime requirements.
- ❖ **Contract change orders** that will significantly increase order volumes or shorten delivery timelines. This should be negotiated in good faith between the client, the location and the capacity of the location at a rate of 60 hours per week or the legal maximum work hour requirement for the location.



Overtime work improvement

RBA criteria and the grading matrix

Work Hours/Week	% of Sample Work Weeks (Total or Specific Area or Function or Nationality)				
	≤1%**	>1% to ≤5%	>5% to ≤15%	>15% to ≤40%	>40%
>84 hours/week	Priority				
>72 hours/week to ≤84 hours/week	Conformance	Minor	Major	Priority	Priority
>60 hours/week to ≤72 hours/week	Conformance	Opportunity for Improvement	Minor	Major	Priority
>Local law* to ≤60 hours/week	Conformance	Opportunity for Improvement	Minor***	Minor***	Major
<Local law* AND ≤60 hours/week	Conformance				

- Local law is stricter than 60 hours/week

** No tolerance allowed if working hours are >84 hours/week

*** Legal non-conformance is rated a major non-conformance except if working hours are below 60h/week but above local law for ≤40%

- RBA Code provides the facility to comply with both local law and the RBA code. If you have a valid waiver from government (e.g., In China, a comprehensive working hours waiver allow facility to adjust workers' working hours within certain period), it is taken as "local law".
- The facility shall always follow the RBA requirement on weekly working hours, and these shall not be more than 60 h/week even with such waiver.

Overtime work improvement

RBA criteria and the grading matrix

Consecutive Days	% of Sampled Workers (Total or Specific Area, Function or Nationality)			
	$\leq 1\%^{**}$	$>1\%$ to $\leq 5\%$ of sampled workers	$>5\%$ to $\leq 40\%$	$>40\%$
≥ 24 Consecutive Days	Priority			
>12 to <24 Consecutive Days	Minor	Minor	Major	Priority
$>6^*$ to ≤ 12 Consecutive Days	Conformance	Minor	Minor	Major
$\leq 6^*$ Consecutive Days	Conformance			

** Zero tolerance: continuous working ≥ 24 days

Overtime Work Improvement

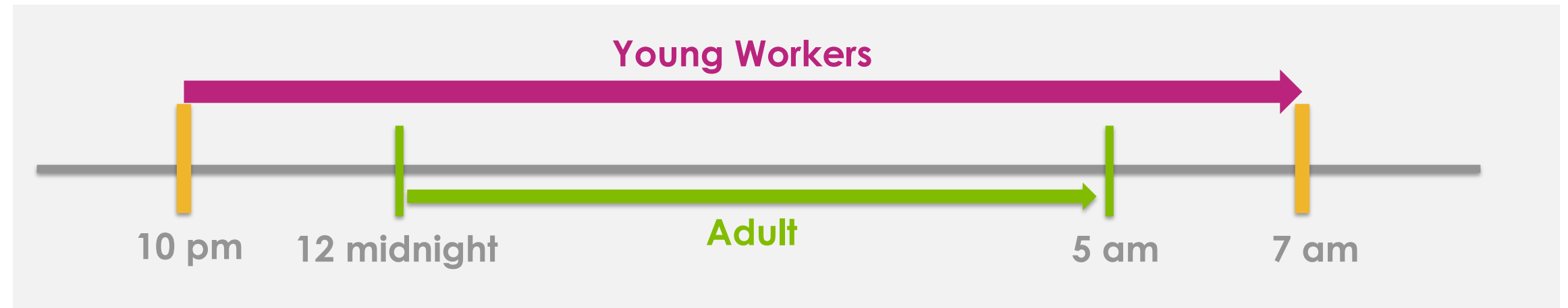
Flex Supplier Working Hours Report Template

flex						
Monthly Action Plan 每月改善计划						
(Please fill this form and send it to Flex if the charts in sheet no. 2 & 3 shows that progress of the month failed to meet the committed Working Hours Improvement Plan 当No.2 和No.3页工时图标显示员工加班时数无法满足要求时请填写本表格并发送给Flex)						
Supplier Company Name 供应商公司名称:						
Site Address 厂区地址:						
CSR in charge CSR 负责人:		Tel. 电话:		E-mail Address 邮件地址:		
Month of Input 月份 (eg. JAN2020, FEB2020,...)	Planned Target of the quarter or month 之前计划达到的季度或月目标	Actual Progress 实际达成的状态	Root Cause of the deviations 未达成目标的原因	Action Plan for the next months 月行动计划	Responsible Person 责任人	Status 状态

Corporate Quality		Supplier Working Hours Report Template				
	A	B	C	D	E	F
1	Master Datasheet: Weekly Working Hours 每周工时记录表					
2						
3	Global Supplier Name 供应商母公司名称:		abc			
4	Local Supplier Name 供应商工厂名称:		abc			
5	Factory Location 工厂所在城市:		abc			
6	Worker Quantity 工人总数 (管理和办公人员除外):					
7	Date started 起始日期 (第一周的周一):		5-Jun-20		(DD-MMM-YYYY)	
8						
9	员工姓名	一级部门, 分厂/车间	二级部门, 生产线或班组	5-Jun-20	12-Jun-20	19-Jun-20
10	Employee	Facility	Production Line	Week 1	Week 2	Week 3
11						
12						
13						
14						
15						



Other Highlight – Night Work



Group	Age	Night Work Time Period	References
Young Worker	<p>< 16 years old (Not applicable in China)</p> <p>16 < Age < 18 years old</p>	<p>include the interval between 10 PM ~ 6AM</p> <p>at least 7 consecutive hours falling between 10 PM ~ 7AM</p>	(ILO Convention 90)
Adult	≥ 18 years old	not less than 7 consecutive hours , including the interval from midnight to 5 AM.	(ILO Convention 171)

Highlight – Fees

Workers shall NOT be required to pay fees for their employment.

(e.g.: Intermediary fees, medical examination fees, handling fees, training fees, brand work clothes, PPE, etc.)



PPE: Personal Protective Equipment

1. Employees shall not be required to request payment of application, recruitment, hiring, placement or processing fees at any time.
2. Once hired, employees do not need to pay any fees.
 - a) Exception 1: If the worker travels back home before leaving the country, he should bear these costs.
 - b) Exception 2: If the worker makes an application and presents it to the company at the workplace, they will have paid or will pay some fees, such as passports, visa, residence permit, transportation expenses, and should not expect to be reimbursed as the employer is not in the country of origin, province, state or region looking for them.
3. If the cost is not clearly listed in the cost definition or does not fall into any category, foreign and migrant workers should not pay any fees that local workers are unwilling to pay.
4. Workers can pay for basic items to prepare for the interview, such as resume preparation, photos, copies of existing documents and certificates, and miscellaneous expenses.

Highlight

Supplier Responsibility



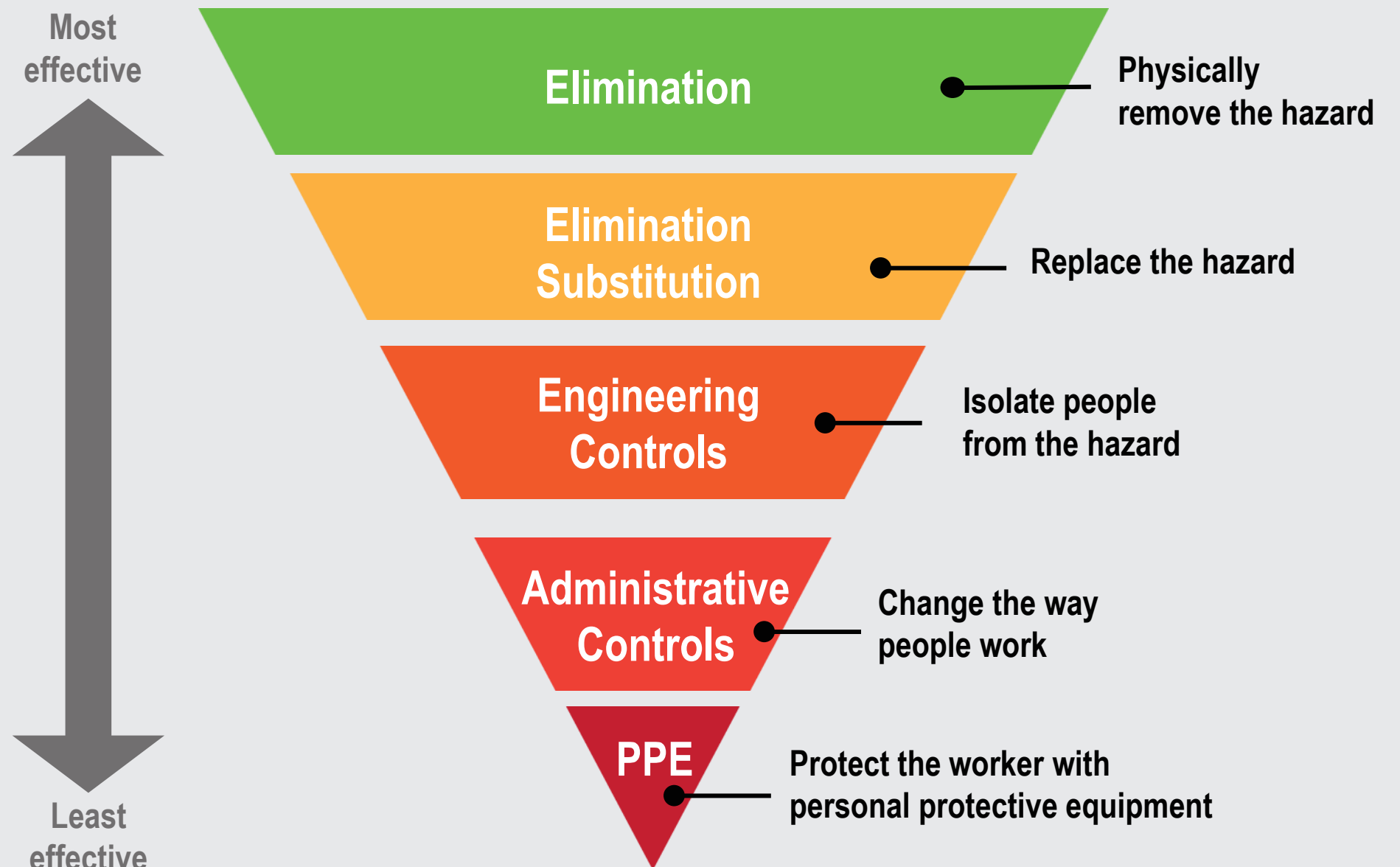
Onsite Service Provider

1. Including: security, cleaners, canteen, dormitory rent management, labor agency, etc.
2. Applicable to audit items:
 - 1) A3 Working hour
 - 2) A4 Wage and benefit
 - 3) C3 Hazardous Substances

Highlight – Hierarchy of Controls

Controlling exposures to occupational hazards is the **fundamental method** of protecting workers.

Hierarchy of Hazard Controls



Best Practice – Health and Safety

Best Practice



Lockout instruction for machine safety



Emergency response equipment and Instructions



Best Practice – Health and Safety

Best Practice



Warning signs for chemical storage



Fire-fighter equipment in chemical storage area

Best Practice – Health and Safety

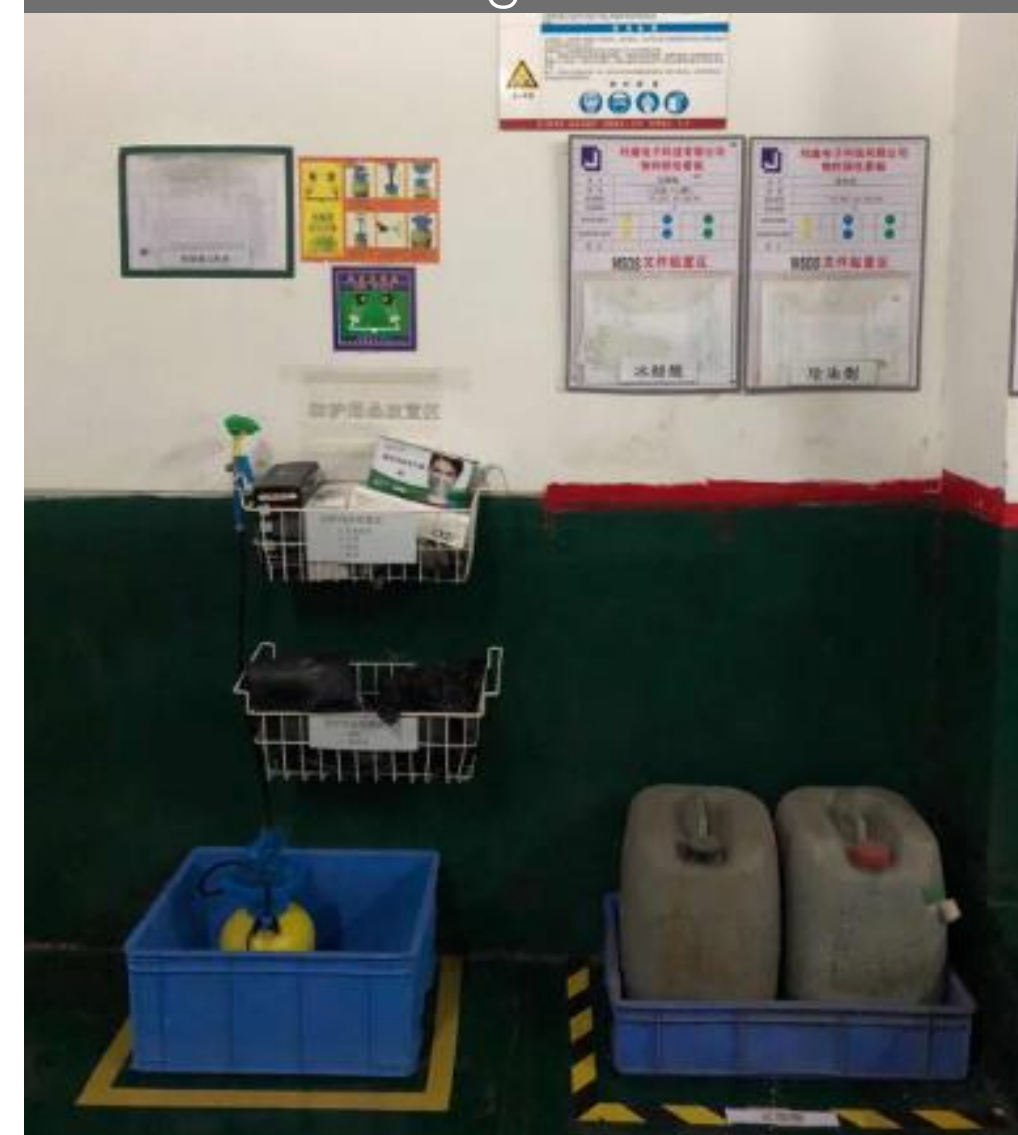
Chemical storage in production floor



Chemical warehouse



Warning instructions in chemical storage area



Best Practice

Best Practice – Labor

Best Practice

Nursing room



Entertainment equipment



Detailed instructions on how to use face mask



Flex Ethics Hotline

www.flexethicshotline.com

INTEGRITY

Is something wrong?

- Treated differently because of who you are?
- Unsafe working conditions?
- Denied a rest day?
- Bullied or threatened?



诚信

有什么不对劲吗?

- 因自己的身份而受到不公平对待?
- 工作条件不安全?
- 没有休息日?
- 受到霸凌或威胁?



Speak up!

Contact the Ethics Hotline at www.flexethicshotline.com to anonymously report your concern.

Direct Dial: 400-600-2513



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直言不讳!

访问 www.flexethicshotline.com, 匿名举报您发现的问题。

Phone: 400-600-2513



flex



RBA Validated Audit Program – VAP

What is a VAP?

The RBA Validated Assessment Program (VAP) is the leading standard for onsite compliance verification and effective, shareable audits.

VAP

Enhance Flex's and our suppliers' Supply Chain Transparency

Improve Sustainability and PEC areas within your company

Collaborate with all RBA members

Benefits

- **2 years validity** – *If approved, no RBA member can request another VAP within this time frame*
- *All RBA members have access to a VAP - shareable to your clients if requested*
- *On site compliance verification and greater assurance*

Responsible Factory Initiative

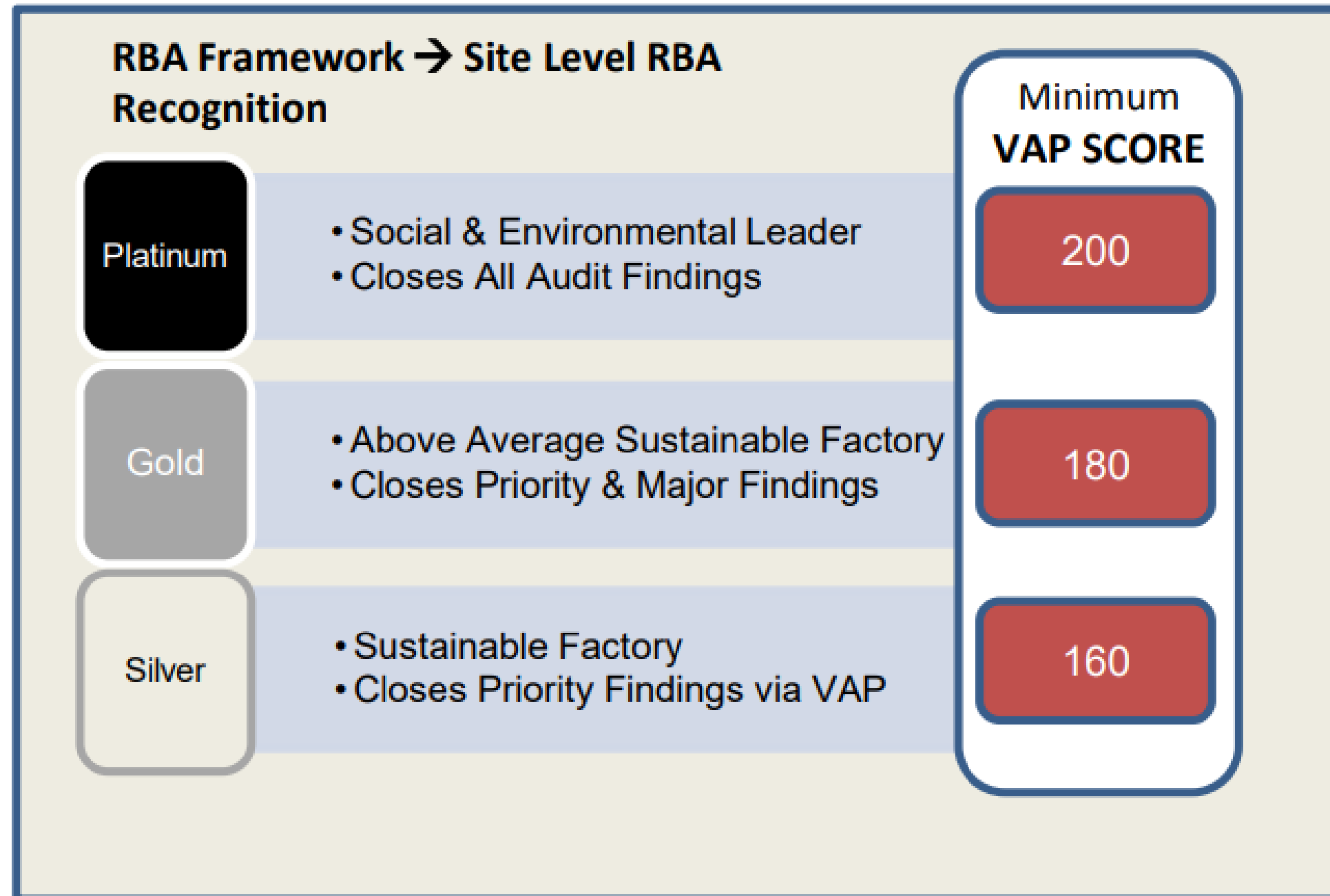
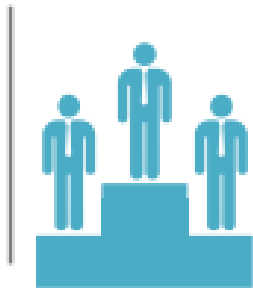


★ Optional

VAP Recognition Program

Recognition

Level dependent on
audit score



Who to contact?

Links

Responsible Business Alliance (RBA) [website](#)

VAP [website](#)

Please [schedule the VAP online via RBA-Online](#)

Mail: VAP@responsiblebusiness.org

For more information on Flex Supplier Programs

Please send us an email to:

✓ [Flex GPSC Sustainability](mailto:flex.gpsc@flex.com) (flex.gpsc@flex.com)

flex

Thank you!

