



Flex Group's Tax Strategy

Flex is the Sketch-to-Scale™ solutions provider that designs and builds Intelligent Products for a Connected World™. With approximately 200,000 professionals across 30 countries, Flex's companies provides innovative design, engineering, manufacturing, real-time supply chain insight and logistics services to companies of all sizes in various industries and end-markets.

Flex's tax strategy

Flex strives to be a world-class service provider, a responsible corporate citizen and an employer of choice. The global Flex companies pay a variety of taxes in various jurisdictions around the world, including corporate income taxes, franchise taxes, value-added taxes, sales & use taxes, excise taxes, employment taxes, stamp duty taxes, and others.

In managing the liabilities and compliance obligations in relation to taxes, Flex companies adhere to a tax strategy which includes consideration of the views of their stakeholders and comprises five key components:

1. Compliance

Compliance for Flex companies means paying the correct amount of tax based upon the various jurisdictions' tax laws while adhering with the the arm's length principle consistent with OECD transfer pricing guidelines. We disclose relevant facts and circumstances to tax authorities, cooperate with the tax authorities and maximize the tax efficiency of business transactions where these decisions have commercial substance and are aligned with the group's commercial objectives. Accordingly, we strive to meet our compliance and associated reporting requirements around the world in the most efficient and effective manner possible.

2. Tax advice

The commercial needs of Flex companies are paramount and tax advice is provided in this context. Where alternative approaches exist to achieve the same commercial result, the most tax efficient approach will be recommended, subject to due considerations of tax risk parameters and ensuring that any tax positions which are taken are sustainable and defensible over the long term. Tax advice is provided to support genuine commercial activity. Flex companies strive to adhere to the intention of the law. Tax advice will be correctly applied and implemented with the management of Flex companies being aware of such proposals and available options before implementation. The corporate tax department of Flex does not provide tax advice to the business operations that is contrived or artificial.

3. Tax risk

Due to the complexity of tax legislation and the interaction of differing national tax regimes, tax risk can never be entirely eliminated. Flex's global tax risk management process – as part of its internal control processes – ensures that Flex companies are operating within an acceptable level of tax risk and that unexpected tax issues that could have a material financial or reputational cost to Flex companies are minimized. Proportionate to the complexity of the business and risks involved, a tax risk framework is used to identify, track and manage tax risks. Where there is uncertainty or complexity in relation to a tax position, professional opinions are sought from reputable independent external advisors and appropriate accruals are reflected in the companies' accounts per governing applicable accounting regulations.

4. Engaging with tax authorities

Flex companies engage with local tax authorities and external stakeholders with honesty, integrity and transparency and make an effort to maintain open and professional communications in terms of disclosure of material facts, timely responses to enquiries and meeting statutory and legislative tax requirements for all applicable taxes.

5. Board ownership and oversight

The financial leadership team, chaired by the Chief Financial Officer, is responsible for Flex's global tax strategy. The global corporate Finance and Tax functions are responsible for ensuring that policies and procedures that support the approach are in place. Further, the Board of Directors of Flex acknowledge that they have responsibility for fully complying with the tax laws where their businesses operate.