

# 2021 ESG

## SYNNEX Sustainability Report



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## President's Message

As a leading company in the ICT semiconductor distribution industry, we are pondering the role of a distributor while facing corporate sustainability and global environmental changes: continuously optimizing the corporate governance mechanism and operational strength in response to the expectations of shareholders, employees and society, and implementing the corporate management principle of "earning trust is both an honor and a responsibility" are the priority for an enterprise in pondering sustainability issues.

The sustainable operation of an enterprise is based on a sound management mechanism and corporate governance. Since its establishment in 1988, SYNNEX has attached great importance to the establishment of systems and mechanisms. Through continuous optimization and improvement of systems and mechanisms, the Company has been able to achieve the goal of "Stability · Sustainability · Growth". With the expansion of the Company into global operations, we have established Finance Planning & Management Division, Business Planning & Management Division, Logistics Planning & Management Division, Risk Management & Planning Division, Human Resources Planning & Management Division and Business Administration Management Division since 2005 to assist the executives in strengthening global operations management and controlling corporate governance risks.

In 2019, the year SYNNEX began the second 30 years, we activated a "Agility and Leap Forward" program, comprehensively promoting re-transformation and re-evolution of the Company. In addition, we expected to create a greater vision jointly with the environment, upstream and downstream supply chains, shareholders and employees based on the philosophy of "Sustainable SYNNEX, Cherish the Earth". Through the efforts over the past three years, net income after tax in 2021 exceeded NT\$10 billion, reaching NT\$17.3 billion, doubled growth of 112% and hit record high. The Company was awarded as one of the "Best Taiwan Global Brands" for 19 consecutive years, the only distributor among the award winners.

Long term and cumulative efforts are key to environmental sustainability. As the hub and bridge of the ICT semiconductor supply chain, a huge number of purchase orders, human labor, shipments and boxes receipt forms, invoices and statements, etc. have been managed through SYNNEX every year. If such daily operations of the supply chain can be digitally linked, the efficiency of the supply chain can be greatly improved. In addition, during the process of digitalization, a considerable amount of carbon emissions can be reduced due to the savings of human labor, papers, statements, packaging materials, ink for printing invoices and statements, etc.

Therefore, since 2019, we have also started to build and promote the "Management Service Platform (MSP)" for the supply chain. SYNNEX takes the initiative to play the role of digital integration, providing customized digital tools (APP), linking the upstream of the supply chain with brand owners and manufacturers, and the downstream dealers, which has resulted in excellent achievements in carbon reduction. In recent years, we have expanded our digital linking to include financial service providers, logistics service providers, providing various business opportunity development services, business operation services, and analysis and management information services, with the goal of integrating into a highly digitalized and energy-saving green supply chain. As of now, 152 suppliers have been introduced to the APP linking, providing 801 groups of real-time information linking.

Internally, SYNNEX has been actively promoting digitalization based on the philosophy of "Sustainable SYNNEX, Cherish the Earth". All colleagues are able to receive messages or conduct electronic signatures in a timely manner through the internal APP, regardless of location or equipment, making the working environment intelligent and agile. At the same time, we are also actively requesting all kinds of office supplies to achieve "net zero emissions" such as paperless and fax-free, and actively replacing and upgrading equipment in all offices, including wireless phones, wireless internet connection, LED lighting, and waste reduction in all new offices, in order to strive for energy conservation and carbon reduction.

Ultimately, corporate sustainability depends on employee care. Since the establishment in 1988, the Company has been committed to the vision of joint growth among "shareholders, customers and employees". As the Company grows and thrives, we have achieved the goal of "Stability · Sustainability · Growth".

Entering the second 30 years, SYNNEX is looking at the future of digitalized society. We recognize that: In the next decade, human beings will certainly enter a highly digitalized society, and the work patterns will change drastically. A large number of "routine" jobs will be reduced or disappear due to the advanced development of AI. On the contrary, the proportion of "knowledge-based and non-routine" jobs will increase significantly. The proportion, effectiveness, and quality of knowledge-based work are based on employees' ability to "leverage on tools" and "interpret data and reports".

Therefore, SYNNEX has been vigorously promoting the upgrading of the 7th generation of computer system for several years, investing NT\$700 million annually in optimizing digital system tools and providing employees with various "computer operating systems" and "computer inquiry and analysis management systems" with the aim of improving the efficiency and quality of employees' "knowledge-based" work. We hope that: The amount of time and quality of knowledge-based work spent by SYNNEX employees will be more than twice that of other companies. By enhancing the digital capabilities, we realize the potential of SYNNEX employees to demonstrate their ideals and ambitions. Moreover, we hope that our employees can achieve "work-life balance" and actively embrace a highly digitalized society.

Last but not least, providing employees with an intelligent, energy-saving and comfortable working environment is also SYNNEX's commitment to our employees and the society. The headquarters building of SYNNEX will be completed at the earliest by the end of 2023. We have been involved in the planning since the site selection. Over more than five years, from layout of the office space, choice of office furniture, use of the daylight tracking system to automatically adjust the lighting and the double-layer glass curtain system for air-conditioning saving, to the intelligent dispatching elevator system and the integration of street trees with the urban landscape, obtaining the EEWB Green Building Gold Certificate will be the goal we pursue of the new office building. Especially under the threat of the pandemic and global warming, SYNNEX will start from itself to strive for the best in the pursuit of corporate and environmental sustainability.



President



# About the Report

Since 2015, Synnex has published an annual sustainability report and set up a sustainable development section on its official website as a communication management and platform with SYNNEX's stakeholders to elaborate SYNNEX's management strategies, implementation achievements and operating performance in various corporate governance, environmental and social issues.

This report has been prepared in accordance with the GRI Standards framework published by the Global Reporting Initiative (GRI) based on core disclosure principles. Refer to the Sustainability Accounting Standards Board (SASB) standards for disclosure. The financial figures are denominated in New Taiwan Dollars, audited and attested by an accountant. The relevant statistics are expressed on the basis of international common indicators. If the quantitative indicators disclosed above contain special meanings, such information will be explained in a separate note.

## Publication Date and Period

In September 2022, SYNNEX issued its 2021 Sustainability Report to disclose its sustainability performance and respond to stakeholders' concerns for the year 2021 (from January 1, 2021 to December 31, 2021). For completeness and comparability, some of the information is traced back to 2019 or extended to 2022.

## Boundary and Scope

The geographical boundary of this report is Synnex Technology International Corp. and includes Synergy Intelligent Logistics Corp., a wholly-owned subsidiary. Except for the financial information audited by an accountant and certain sustainability information, it does not include the reinvested businesses in the consolidated financial statements. The scopes covered by some of the information will be explained in a separate note to be in line with the meaning of the presentation.

## Publication Date of Previous Reports

SYNNEX publishes an annual sustainability report on a regular basis

First publication: 2014 Report (Published in December 2015)

Previous publication: 2020 Report (Published in September 2021)

Publication Time of this Report: 2021 Report (Published in September 2022)

## Report Assurance

The Company has commissioned PwC Taiwan to conduct limited assurance on a portion of the information in this report in accordance with the Assurance Standard No. 1 "Assurance Engagement of Examinations or Audits of Non-historical Financial Information" issued by the Accounting Research and Development Foundation.

## ► Sustainability Performance Highlights of 2021 ◀

### Environment



#### Digitalization of Business Procedures

The introduction of e-signature, e-invoicing and digital operations to save more than 778,000 sheets of paper in 2021, equivalent to a reduction of 6.23 tons of CO2e



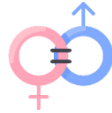
#### Recycling Bins for Reuse

Over 82,000 recycling bins used for delivery

#### Professional Recycling of Four-waste Machines with Home Services

Growing 23.9% and Hitting a new high of 6,144 units, with the increase of home services.

### Social



#### Gender Equality

47% of female employees at the assistant manager level (inclusive) and above by 2021



#### Service Innovations

Creation of a Management Service Platform (MSP)



#### Customer Satisfaction

Focusing on customer service, with an average satisfaction score of home services reaching 4.8 in 2021



#### Employees Interest Free Loans

- The total amount of loans to date exceeds NT\$400 million
- In 2021, in response to the pandemic, the Company launched an interest free loans program; Assisted over 80 colleagues in resolving their short-term capital problems, with a lending amount of nearly NT\$8 million.

### Governance



#### Business Performance

Net income after tax in 2021 exceeded NT\$10 billion, reaching NT\$17.3 billion, doubled growth of 112% and hit record high. Earnings per share of NT\$10.35, with dividend per share of NT\$5



#### Ethical Corporate Management

100% of employees sign the letter of Anti-Corruption Commitment

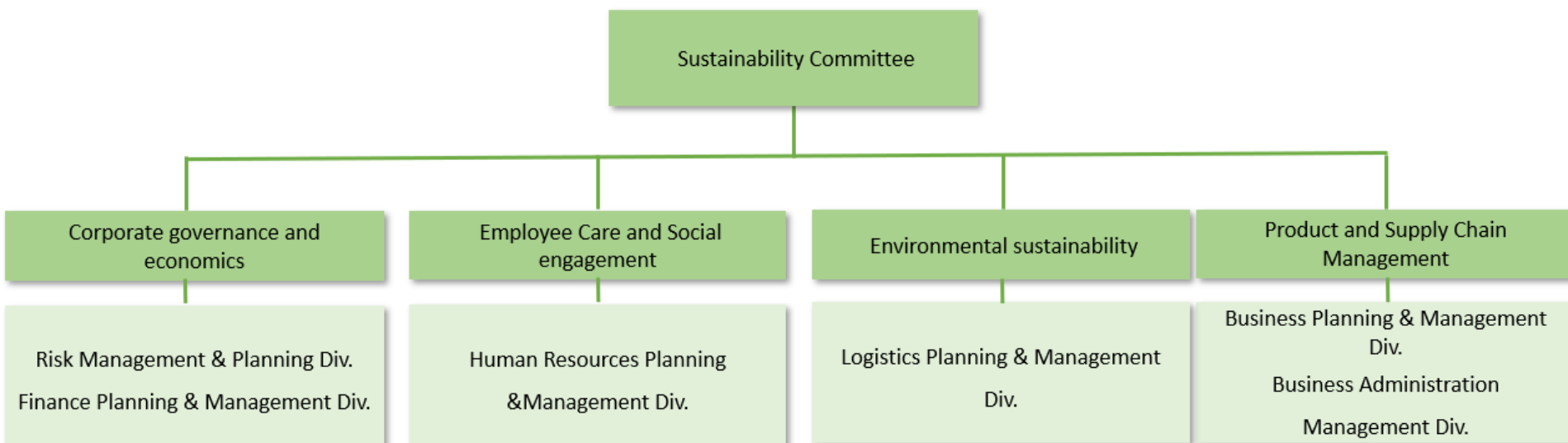


#### Awards and Recognition

"Best Taiwan Global Brands" awarded by Ministry of Economic Affairs and Interbrand for 19 consecutive years  
Ranked the 5th by Commonwealth Magazine among the top 2000 companies in the service industry  
Constituents of MSCI Taiwan Select ESG Sustainability High Yield Top 30 Index  
Constituents of Taiwan Environment Sustainability High Yield Index

## Sustainability Committee

To implement the concept of sustainable operation, we set up a Sustainability Committee in 2015, with the President as the convener. We also set up work teams for 4 ESG aspects according to the issues under the jurisdiction of each department, which selected the appropriate functional supervisor and employees to form the teams. The ESG work team is responsible for coordinating, managing and implementing the ESG policies and activities of SYNNEX; also, it is responsible for preparing and publishing the annual ESG report.





## Identification of Material Issues

The main purpose of this report is to propose responses and explanations to SYNNEX's stakeholders who are concerned about the material issues, and use the issues as an important direction and indicators for future development. SYNNEX refers to the guidelines of GRI Standards and AA 1000 Stakeholder Engagement Standard (SES) to develop the following procedures to identify the material issues of the Company. Each year, the report is fine-tuned according to the level of concern and operational impact, and is reviewed for completeness in reporting on corporate sustainability management, operational performance and impact.

### Analysis

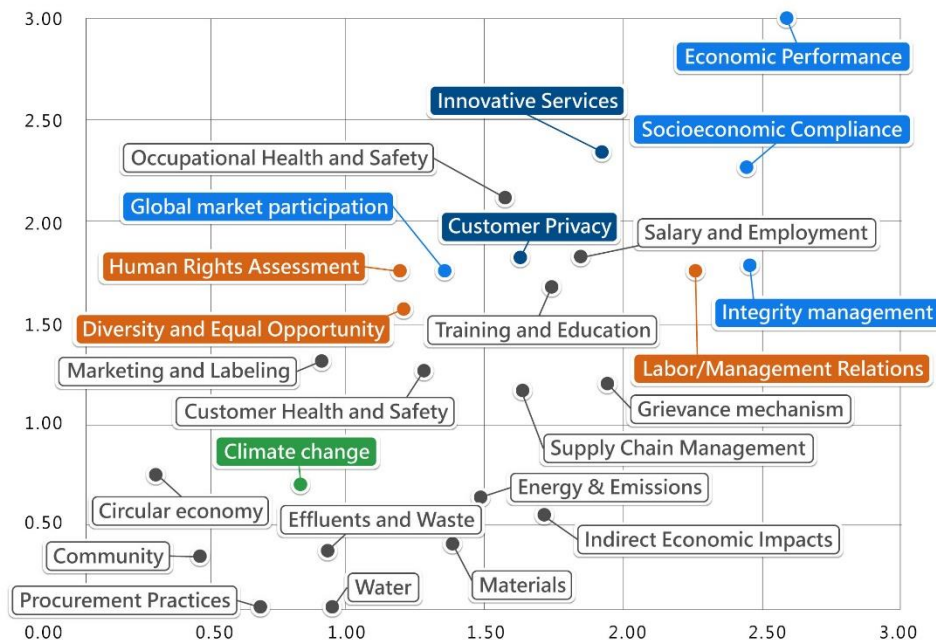
- 8 major categories of stakeholders have been identified through information collection from various departments and communication channels.
- 25 sustainability issues have been selected based on the GRI Standards, global industry trends, sustainability goals, and important economic, social, and environmental indicators.

### Identification and Evaluation

- Questionnaires are distributed to 8 major categories of stakeholders to analyze stakeholders' topics of concern.
- At the same time, the supervisors of the six quality management divisions evaluate the short-, medium- and long-term impact of each sustainability issue on the Company's operations

### Confirmation and Disclosure

- Through a survey on the level of concern and an internal impact assessment, cross-analysis and ranking has been conducted. After the discussion of the ESG work team, 9 material sustainability issues have been identified. In addition, in response to the international sustainability trend, the issue of "Climate Change Risks and Opportunities" was included to enhance the disclosure of relevant information. These 10 issues are the key disclosure items in the 2021 Sustainability Report of SYNNEX.





## Stakeholder Engagement

Stakeholders	Communication Methods and Frequency	Communication Channels	Communication Performance	Topics of Concern
Shareholders/ Investors	Shareholders' Meetings /Annually Public Website of the Company /Irregular Financial Reports /Quarterly Sustainability Report /Annually Public Information Disclosure /Irregular	Vice Director Evelyn Chen (02)2506-3320 evelynchen@synnex.com.tw	<ul style="list-style-type: none"> <li>Invited to attend 6 road shows to explain the Group's business expansion, operating results and profitability in 2021</li> <li>Convened 1 shareholders' meeting and published an annual report in 2021</li> <li>Announced a total of 515 material information in English and Chinese in 2021</li> </ul>	<ul style="list-style-type: none"> <li>Economic Performance</li> <li>Ethical Corporate Management</li> <li>Global Market Engagement</li> </ul>
Employees	Staff Welfare Committee /Quarterly Employer-employee meetings /Quarterly Employee Feedback Hotline /Irregular Employee Email /Irregular SYNNEX APP /Irregular	Personnel and Administration Ms. Yu (02)2506-3320 hr1999@synnex.com.tw	<ul style="list-style-type: none"> <li>Establish a smooth employee grievance and confidentiality mechanism to ensure the rights and interests of employees</li> <li>Employer-employee meetings, employee welfare committee meetings, and chat sessions/seminars provide employees with opportunities to communicate with supervisors at all levels</li> <li>All employees can be informed of various types of information through SYNNEX's APP notifications, email notices and bulletin boards</li> </ul>	<ul style="list-style-type: none"> <li>Employee Rights</li> <li>Diversity and Equal Opportunity</li> <li>Employer-employee and Labor Relations</li> </ul>
Vendors	Vendor Meetings /Irregular Vendor Audit /Irregular Sustainability Report /Annually A Special Section for Stakeholders on the Official Website /Irregular	(02)2506-3320 csr@synnex.com.tw	<ul style="list-style-type: none"> <li>Weekly communication meetings to facilitate timely market information exchange and product strategy development</li> <li>Quarterly review meetings to discuss market strategies, progress of cooperation and quality performance</li> </ul>	<ul style="list-style-type: none"> <li>Economic Performance</li> <li>Ethical Corporate Management</li> <li>Product and Service Model Innovations</li> <li>Global Market Engagement</li> </ul>
Dealers	Customer Service Hotline and Mailbox /Irregular Dealers Meetings /Irregular A Special Section for Stakeholders on the Official Website /Irregular Sustainability Report /Annually	Customer Service Hotline (02)2508-0055	<ul style="list-style-type: none"> <li>Announce various types of product information and news of the Group through the APP and email notices</li> <li>Established a dealer alliance on FB to announce the latest news and facilitate exchanges</li> </ul>	<ul style="list-style-type: none"> <li>Ethical Corporate Management</li> <li>Customer Privacy</li> <li>Product and Service Model Innovations</li> </ul>

## Stakeholder Engagement

Stakeholders	Communication Methods and Frequency	Communication Channels	Communication Performance	Corresponding Material Issues
Consumers	Customer Service Hotline /Irregular Customer Service Mailbox /Irregular Official Website of the Company /Irregular Service Stores /Irregular	Customer Service Hotline (02)2508 0055 Customer Service Mailbox <a href="https://bit.ly/3woEJ6C">https://bit.ly/3woEJ6C</a>	<ul style="list-style-type: none"> <li>Set up a customer service hotline and mailbox and designate personnel to provide consumers with products and customer service information and troubleshooting</li> <li>Established directly-managed repair centers throughout the northern, middle and southern Taiwan to provide consumers with thoughtful and convenient services</li> </ul>	<ul style="list-style-type: none"> <li>Customer Privacy</li> <li>Indirect Economic Impact</li> <li>Customer Health and Safety</li> </ul>
Media	Official Website of the Company /Irregular Press Release /Irregular Media Interview /Irregular	Public Relations Ms. Liu (02)2506 3320 <a href="mailto:csr@synnex.com.tw">csr@synnex.com.tw</a>	<ul style="list-style-type: none"> <li>Send out press releases by e-mail, with 50 press releases in 2021</li> <li>Invite the media to shareholder's meetings and road shows</li> <li>Keep the information up-to-date in the Company by publishing the latest news on the Group's official website</li> </ul>	<ul style="list-style-type: none"> <li>Economic Performance</li> <li>Global Market Engagement</li> <li>Indirect Economic Impact</li> </ul>
Government Institutions	Government Order Promotion Meetings /Irregular Official Letters /Irregular Stock Affair Department of the Company /Irregular	Legal Compliance Ms. Lin (02)2506 3320 <a href="mailto:csr@synnex.com.tw">csr@synnex.com.tw</a>	<ul style="list-style-type: none"> <li>Participate in policy discussions and seminars with the competent authorities from time to time</li> <li>Cooperate with the competent authorities for monitoring and auditing</li> <li>Report to the websites of the competent authorities</li> <li>Set up a contact window to maintain positive interaction with the competent authorities</li> </ul>	<ul style="list-style-type: none"> <li>Economic Performance</li> <li>Energy and Emissions</li> <li>Ethical Corporate Management</li> </ul>
NGOs	Official Website of the Company /Irregular CSR Mailbox /Irregular Sustainability Report /Annually	Public Relations Ms. Liu (02)2506 3320 <a href="mailto:csr@synnex.com.tw">csr@synnex.com.tw</a>	<ul style="list-style-type: none"> <li>Set up a dedicated email</li> <li>Keep the information up-to-date in the Company by publishing the latest news on the Group's official website</li> </ul>	<ul style="list-style-type: none"> <li>Employee Rights</li> <li>Grievance Mechanism</li> <li>Energy and Emissions</li> </ul>

## Internal and External Boundaries of Material Issues

Material Issue	GRI	Impacts and boundaries						
		Internal	External					
		Employee	Shareholders / Investors	Government Institutions	Vendors	Dealers	Consumers	NGOs
Economic Performance	GRI 201 Economic Performance	○	○		○	○		
Compliance	GRI 419 Socioeconomic Compliance GRI 307 Environmental Compliance	○	○	○	○	○	○	○
Integrity management	GRI 205 Anti-corruption	○	○	○	○	○	○	○
Innovative Services	-	○	○		○	○	○	
Customer Privacy	GRI 418 Customer Privacy	○		○		○	○	
Global market participation	-	○	○		○	○		
Diversity and Equal Opportunity	GRI 405 Diversity and Equal Opportunity	○		○				○
Human Rights	GRI 406 Non-discrimination GRI 408 Child Labor GRI 409 Forced or Compulsory Labor GRI 412 Human Rights Assessment	○		○				○
Labor/Management Relations	GRI 402 Labor/Management Relations	○		○				○
Climate change	GRI 201 Economic Performance	○	○		○	○		

A full-page background image showing two dolphins leaping from the ocean. The dolphins are in mid-air, their bodies curved as they move towards the right. The ocean is dark blue with white-capped waves. The sky is a mix of deep blue and orange, with a bright sun low on the horizon creating a strong glow and reflecting on the water. There are some clouds in the sky.

# CH1 | Governance

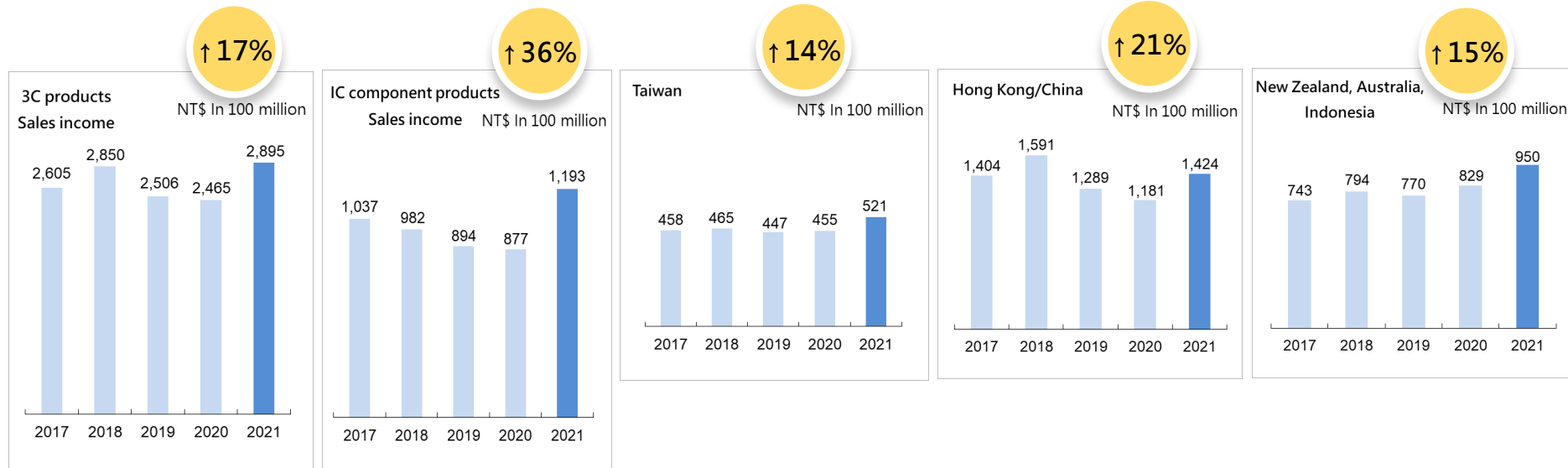
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## About SYNNEX

SYNNEX was established in 1988. Through a unique operational model, it has become the largest distributor of information, communication, consumer product, and semiconductor products in the Asia Pacific region. In 2021, SYNNEX's annual consolidated revenue reached NT\$408.8 billion.

SYNNEX provides integrated services to supply chains of high-tech industries, and its business territory covers Taiwan, Mainland China, Hong Kong, Macau, Indonesia, Thailand, Vietnam, India, Australia, the Middle East, and Africa. SYNNEX has operations in 51 countries/ regions, throughout 300 cities.

Sales volume chart



## Company Profile




Founded	1988
Chairman	Matthew Feng-Chiang Miao
General Manager	Evans S. W. Tu
Major shareholder	MITAC Inc
Paid-in Capital	NT\$16,679million
Revenue	NT\$408.8 billion(2021)
Number of employees	1,280(2021.12.31)
Address	4 <sup>th</sup> Fl., 75, Sec. 3, Ming-Sheng E. Rd., Taipei, Taiwan, R.O.C.
Area	Taiwan
Ownership and legal form	Listed Company(TWSE Stock Code : 2347)

## Associations

Associations	Start date	Areas
Cross-Strait CEO Summit	2013.7	Taiwan And Mainland China
Taiwan Stock Affairs Association	2005.8	Taiwan
Taipei Computer Association	1988.10	Taiwan
Importers and Exporters Association of Taipei	1989.2	Taiwan
Taipei Electrical Commercial Association	1992.3	Taiwan
Taoyuan City Industrial Association	1998.2	Taiwan
Taichung City Industrial Association	2008.2	Taiwan
TaiChung Computer Association	1992.1	Taiwan

## Material Issues / Global Market Engagement

Due to the rapidly changing market environment and in the pursuit of the Company's continuous and stable growth, SYNNEX not only upholds multi-product and multi-channel strategies, but also focuses on "multi-marketplace development, aiming to create greater opportunities for development while effectively diversifying operational risks.

 Policy	<p>SYNNEX's global development focuses on the Asia Pacific region, and has expanded to India and the Middle East. The Company's long-term business development plan is to focus on "Stability · Sustainability · Growth". On one hand, the Company will continue to strengthen the foundation of internal operations management; on the other hand, the Company will continue to seek a breakthrough in products and channels, and identify integrated synergies across business units in order to expand the advantages of economies of scale.</p>
 Goal	<p>In the post-pandemic era, various types of new normal adapted to the market and business practices have gradually become mainstream. IDC, a market research firm, predicts that IT investment decisions of an enterprise over the next five years will reshape priorities to focus on "returning to growth" and adapting to "new normal" technology investments and operating/business models. In the future, the Company will be more proactive in enhancing organizational development through digital technology, with its aim of accelerating growth and reshaping leadership.</p>
 Accountable Unit and Resources	<p>The Overseas Business Management Div. of the Company is responsible for planning and management, supported and executed by seven planning &amp; management offices, including finance, business planning, logistics, risks, human resources, business administration and technical services divisions.</p>
 Action Plan	<p>SYNNEX has established seven planning &amp; management divisions and five centers at the Group headquarters. Through solid functional supervisory units and comprehensive system tools, the operational performance and quality of the various business units of the Group are effectively managed to gradually expand business development in a steady and pragmatic way.</p> <p>Though the competition is fierce in the emerging markets, Mainland China, India, the Middle East, Thailand, Indonesia, and Vietnam that SYNNEX has already entered, the overall market environment has gradually become mature and compliant, and the advantages created by SYNNEX's robust operations and management mechanisms will gradually expand to drive the increase in market share.</p>
 Evaluation Mechanism of Management Approach	<p>The consolidated revenue of SYNNEX's global channel business reached NT\$408.8 billion in 2021, continuously expanding the economies of scale.</p>



## Material Issues / Economic Performance

We pursue appropriate profits to support the development of the Company; provide employees with a good working environment and lifelong development opportunities; meet the expectations of the shareholders, assist suppliers in expanding market share, and provide outstanding customer services.



### Policy

The Group plans to focus on improving the revenue growth coupled with enhancing or maintaining net profit margins to maximize operating profit margin to increase the return on shareholder's equity. In recent years, we have been promoting the "Agility and Leap Forward" program to comprehensively improve operational efficiency through digital optimization, information linking, and AI big data analysis so as to achieve the economics of scale.



### Goal

SYNNEX will continue to optimize its digital capabilities, accelerate the development of its "Management Service Platform", promote customized services for upstream and downstream partners, carry out in-depth cooperation with the supply chain, expand market share, and drive profitability with performance.



### Accountable Unit and Resources

The Business Planning & Management Division is responsible for planning and management, supported and executed by the business unit, group accounting center, and financing control center.



### Action Plan

1. We are fully committed to developing the Management Service Platform, expanding the participation of vendors, customers, third-parties, and cross-discipline partners to earn customers' trust through services.
2. We accelerate the development of recruitment service business, including cloud service recruitment business, portal recruitment business, 3C product insurance recruitment business, etc.
3. In response to the post-pandemic era, we have expanded the introduction of software and hardware products for related applications, including video conferencing, smart mobile office, distance learning, smart home, etc.
4. The logistics services business has expended its promotion of warehouse service deployed in cloud platform, home electronics Installation and maintenance service, and technical services business, etc., and has continued to promote intelligent service operations.
5. We have expanded the provision of customized and intelligent information services on analysis management, as well as information services on service progress in a real-time and transparent manner to major vendors and customers.



### Evaluation Mechanism of Management Approach

The highest governance body of the Company is the Board of Directors, whose duties include directing Company strategies, supervising the management, and being responsible to the Company and the shareholders' meeting. In exercising its authority, the Board of Directors complies with laws, regulations, the Articles of Incorporation, and the resolutions adopted by shareholders' meetings. The Audit Committee aims to assist the Board of Directors in performing its supervisory responsibilities, to ensure quality and integrity in the accounting, auditing, and financial reporting processes, as well as financial control. The Company has established an Internal Audit Office to evaluate and improve the effectiveness of risk management, control and governance. Externally, the Company has appointed CPAs for auditing.

## Material Issues / Ethical Corporate Management

Ethical Corporate management is an important corporate value and a basic principle of management for SYNNEX. We are committed to legal compliance and ethical standards to eliminate violations of governmental laws and corporate regulations so as to ensure the sustainable day-to-day operation of the Company.



### Policy

Establish a corporate culture of ethical Corporate management and sound corporate development for sustainable operation; The Company has established an Ethical Corporate Management Best Practice Principles and Code of Conduct to promote its corporate culture and value of ethical corporate management, and requires employees to abide by these guidelines and code of conduct in business ethics, labor relations, internal control, corporate governance and community engagement.



### Goal

There are no violations of governmental laws and Company regulations.



### Accountable Unit and Resources

Accountable unit: Internal Audit Office

Continue to improve relevant regulations and systems, promote legal compliance and integrity education and training, and conduct regular and irregular key audits by the Internal Audit Office to implement internal audits and operational risk management.



### Action Plan

The Company has established the "Code of Conduct" and "Whistleblowing System". Any person who is engaged in or aware of any violations of the Code of Conduct, Ethical Corporate Management Best Practice Principles and the law may report it to the Company's management team, the internal audit supervisor, the relevant unit, or through the whistleblowing channel. The Company has established an independent reporting mailbox for processing the whistleblowing procedures.








### Evaluation Mechanism of Management Approach

Once the reporting is proven to be true, we will review relevant internal control system and operating procedures, and propose improvement measures to prevent the same issue from happening again. In the event of a material violation, which results in significant damage to the Company, or involves a senior executive, the acceptance unit of the Company shall report such case, its handling procedures and subsequent review and improvement measures to the Audit Committee.

## Material Issues / Legal Compliance

Legal compliance is not only the basic requirement for the Company's operations, but also the expectations of each stakeholder. Violation of laws and regulations will cause damage to the Company, affect its image and bring negative perceptions, which will exert a significant impact on the Company's sustainable operations.

 Policy	<p>SYNNEX has long been concerned about the development of the industry and the changes in industrial policies and laws. While actively developing and expanding the business, we also strictly comply with relevant laws and regulations. In order to implement legal compliance policy, the Company has kept abreast with various domestic and foreign laws and regulations to establish, update and review various internal regulations, and promote the updates or amendments to laws and regulations at any time, to enable all units to capture the latest laws and regulations in a time manner. There were no significant fines or sanctions imposed to the Company for violations of laws and regulations in the social and economic areas in 2021.</p>
 Goal	<p>There were no significant fines or sanctions for violations of laws and regulations.</p>
 Accountable Unit and Resources	<p>Accountable unit: Risk Management &amp; Planning Div. Pursuance to laws and regulations, the Risk Management &amp; Planning Div. publishes important notices on legal compliance from time to time to ensure that all units abide by the relevant laws and regulations. Each department provides employees with relevant education and training according to business needs to ensure that every employee understands the relevant laws and regulations.</p>
 Action Plan	<p>The Company continues to educate all employees through the internal website and regular internal management meetings. The Risk Management &amp; Planning Div. has established: Information Security and Intellectual Property Protection Committee, Sexual Harassment Prevention Committee, and Integrity Work Group to publish important notices on the compliance with the Company's regulations from time to time to enable employees to be fully aware of the concept of legal compliance and the consequences of violations.</p>
 Evaluation Mechanism of Management Approach	<p>Establish internal regulations of the Company such as "Corporate Governance Code", "Code of Conduct", "Ethical Corporate Management Best Practice Principles" and "Corporate Social Responsibility Code". Each back office management unit reviews and revises them at any time according to their scope of authority and responsibility in compliance with the current Company policies and operational procedures.</p>

## Material Issues / Customer Privacy

Customer personal information is an important and confidential part of our operations. SYNNEX is committed to ensuring customers' information security through thorough education and training, as well as continuous upgrading of our systems and mechanisms.

In 2016, SYNNEX introduced the ISO27001:2013 information security management system in compliance with the framework for management, obtained the certificate, and has continuously maintained its validity.



### Policy

SYNNEX's internal operation systems as well as systems open to external users are controlled by a strict authorization management system, which limits the scope of information inquiries and review to internal staff or external customers.



### Goal

Digital devices and mechanisms are used to replace paper copies for client operations. The information used by the field staff for end delivery or home service only includes delivery or installation requirements. The rest of the personal information is managed by the internal operation system and regularly sealed with a hidden code.



### Accountable Unit and Resources

Accountable unit: Business Planning & Management Div, Business Administration Management Division Resources: Risk Management & Planning Div.



### Action Plan

#### 【 Education and training 】

1. Two training programs for new employees have been added: Education and training on the Personal Data Protection Act for the information and customer service department (first week); Information security concept application & development process (after 2 months)
2. Regular training for the information security team: The Information security team is composed of representatives from the supervisor of each quality management division. The lecture and post-class evaluation are conducted by a consultant from PwC. (Regularly conducted every year)

#### 【 System mechanism 】

1. Upgrade of customers' personal information protection: Authorization control mechanism to ensure that private information is masked
2. Enhancement in information masking mechanism: Replacing traditional paper operations with digital information to reduce the risk of customer privacy leakages



### Evaluation Mechanism of Management Approach

1. Establish a grievance mechanism, system certification ISO27001:2013, internal auditor certification and SEC corporate governance assessment to ensure that customers' personal information is strictly protected. The protection of consumers' personal information will be regularly reviewed for improvement. The headquarters will review the operations from time to time to ensure that the overall procedure is in compliance with the Personal Data Protection Act.
2. The repair centers and authorized third-party service providers must comply with local laws and regulations regarding personal data protection and must not access to customer information for improper storage when repairing machinery.

## 33 Years Financial Performance of Synnex



## SYNNEX's Profit Hit a Record High in 2021

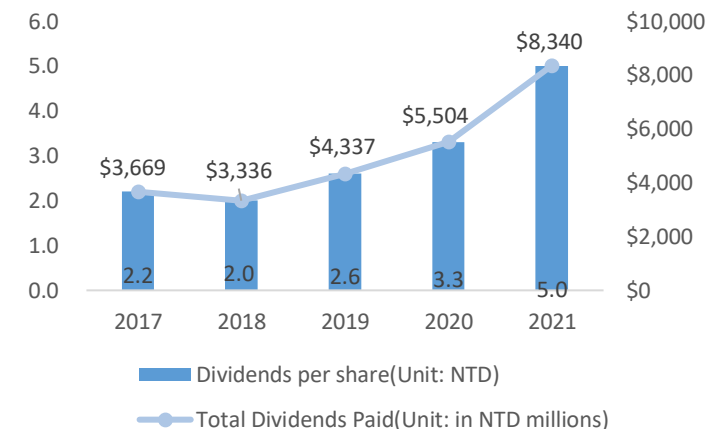
SYNNEX's net income after tax exceeded NT\$10 billion in 2021, reaching a record high of NT\$17.3 billion, an increase of NT\$9.1 billion or 112% over 2020. Earnings per share of NT\$10.35, with dividend per share of NT\$5 also set a new record, with a yield rate of approximately 7.1%. The "Agility and Leap Forward" program actively promoted by SYNNEX since 2019 is the main factor behind the record-high revenue and profitability indicators.

### Economic Performance

(NT\$1 million)		2019	2020	2021
Generation of direct economic value		341,157	335,174	409,912
Operating revenue	Net sales	339,995	334,201	408,812
	Interest/dividends/rental income	1,162	973	1,100
Distribution of direct economic value		335,774	330,437	404,878
Operating costs	Cost of goods sold (Excluding inventory decline/reversal)	325,280	319,277	391,231
Employee salaries and benefits	Employee salaries , bonuses, benefits, etc.	5,220	4,862	5,159
Payables to fund providers	Interest expenses, dividends	4,052	4,848	5,994
Trading with the government	Taxes (excluding deferred taxes), fines	1,222	1,450	2,493
Economic value reserve		5,383	4,737	5,034

Remarks: prepared according to GRI Standards GRI 201-1 economic performance

### Cash dividends



Remarks: The year to which the dividends belong

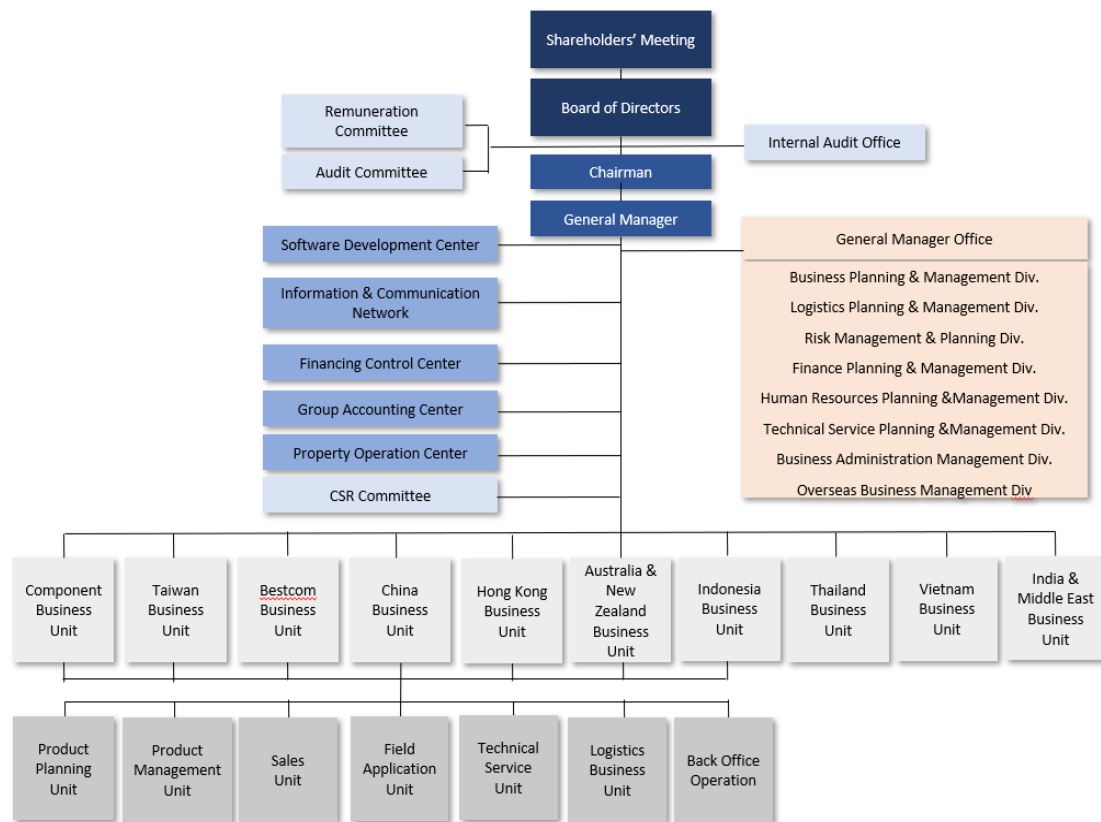
## 1-2 Corporate Governance

Corporate governance is the cornerstone of business sustainable development. SYNNEX's governance policy is based on the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" and complies with the principles as follows:

### Corporate Governance Framework

SYNNEX is a publicly traded company listed on the Taiwan Stock Exchange (hereinafter referred to as the TWSE) and issues GDR on the Luxembourg Stock Exchange. The corporate governance regulations and practices are in accordance with the laws and regulations issued by the FSC and the TWSE, with the shareholders' meeting as the highest decision-making body of the Company, the Board of Directors as the highest business executive body, the elected Chairman as the Company's external representative, and the appointed President as a manager of the Company's business internally. The corporate governance structure is shown on the right.

In order to ensure the integrity of the corporate governance structure, the Company established a Remuneration Committee in 2011 to enhance the integrity of the corporate governance system.





## Composition and Operation of the Board of Directors

The Board of Directors of SYNNEX currently consists of 7 directors with a 6:1 ratio of men to women, including 3 independent directors with the term of office of 3 years, and required professional skills in business affairs, law, finance, accounting, or corporate business. The qualifications and experience of the directors shall be in accordance with the requirements of the laws and regulations and shall be selected by the shareholders' meeting based on the ability and experience needed by SYNNEX. Disclosure of basic information on the members of the Board of Directors, their educational background, experience, expertise and remuneration can be found in the 2021 Annual Report on the Market Observation Post System (<http://mops.twse.com.tw/mops/web/index>).

The Company convenes at least 1 Board of Directors' meeting on a quarter basis. A total of 6 Board of Directors' meetings were held in 2021. In addition to complying with the "Rules of Procedures of the Board of Directors' meeting" established by the Company, the Company also complies with the regulations regarding the recusal of interests during the decision-making process of the Board of Directors' meetings.

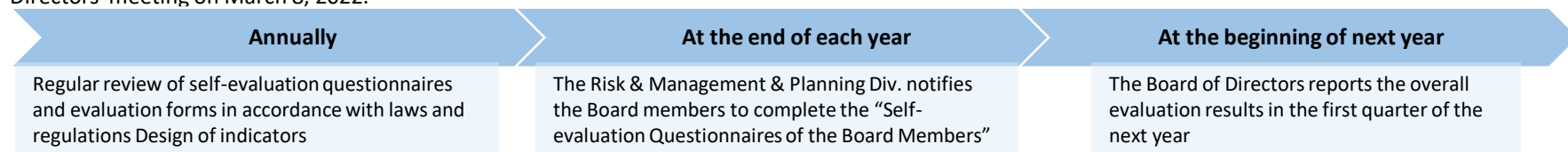
**Members of the board of directors have rich experience and expertise in the fields of finance, business, and management. Implementation is as follows**

Title	Core parameter Name	Gender	Age	Nationality	Professional background	Concurrently an employee	Length of the terms of service of independent directors			Operational judgment	Ability to perform accounting and financial analysis	Management ability	Crisis management	Industrial knowledge				An international market perspective	Leadership ability	Decision-making ability	Number of other public companies in which the director also serves concurrently as an independent director
							Fewer than three years	Three to nine years	More than nine years					Technology	Finance	Telecommunications	Venture capital				
Chairman	Miau, Matthew Feng Chiang	Male	70-79	USA	Industry	V				V		V	V	V		V	V	V	V	V	2
Director	Tu Shu-Wu	Male	70-79	ROC	Industry	V				V		V	V	V		V	V	V	V	V	0
Director	Yang Hsiang-Yun	Female	60-69	ROC	Industry					V	V	V	V	V			V	V			0
Director	Chou The-Chien	Male	60-69	ROC	Industry					V		V	V	V		V	V	V			0
Independent Director	Yeh Kuang-shih	Male	60-69	ROC	Industry		V			V	V		V			V		V	V	V	1
Independent Director	Hsuan Chien-Shen	Male	70-79	ROC	Industry		V			V	V	V	V	V				V	V	V	1
Independent Director	Ling-Long Shen	Male	70-79	ROC	Finance and accounting		V			V	V	V	V		V		V	V	V	V	0

## Directors' Performance Evaluation

To implement corporate governance and enhance the functions of the Board of Directors in order to establish performance targets and strengthen their operational efficiency, the Company established the Board of Directors' performance evaluation method. The Board of Directors, functional committees and individual directors perform annual self-evaluation on a regular basis.

The Company's directors were fully re-elected on July 20, 2021 and the evaluation period for the year 2021 was from July 20 to December 31. The results of the self-evaluation by the Board of Directors, the functional committees and the members of the Board of Directors were "excellent" and reported to the Board of Directors' meeting on March 8, 2022.



## Status of Directors' continuing education

Educational institutions	Course title	Hours	Number of participants
Computer Audit Association	Enhance corporate information security governance capabilities from the aspects of international risk as well as industry and standard development trends	3	4
Taiwan Corporate Governance Association	Hostile mergers and acquisitions, case analysis of management rights competition, and company countermeasures	3	5
Securities and Futures Institute	2021 Annual Promotional Conference on Prevention of Insider Trading	3	3
Securities and Futures Institute	2021 Insider Equity Transaction Legal Compliance Awareness Briefing	3	1
Financial Supervisory Commission	13th Taipei Corporate Governance Forum	6	3
Financial Supervisory Commission	Morning session of the 13th Taipei Corporate Governance Forum	3	1
Taiwan Institute of Directors	[How Chinese Family Businesses can Go Beyond a Century in the Era of Co-governance] A Symposium for Directors and Supervisors	2	1

## Audit Committee

Assist the Board of Directors in implementing supervision and exercising the relevant legal authority

The Company's Audit Committee was established in 2015 to take over the work of supervisors. The Audit Committee convened 4 meetings in 2021, with the implementation status as follows:

1. The audit supervisor submitted an audit report to the Audit Committee in the month following the completion of the audit project. The Audit Committee had no objection.
2. The audit supervisor attended the regular Board of Directors' meetings and prepared business audit reports. The Audit Committee had no objection.
3. The Audit Committee regularly communicates with accountants on a quarterly basis, either in person or in writing, regarding the financial condition of the Company.

## Remuneration Committee

Composed of all independent directors

Responsible for the Company's remuneration, standard, structure and individual compensation to be submitted to the Board of Directors for discussion. The Remuneration Committee is responsible for determining and reviewing the performance evaluation and remuneration policy and system for Company directors and the management.

The Audit Committee of the Company convened 2 meetings in 2021, with the implementation status as follows:

1. There were no objections regarding resolutions from the Board of Directors or any objections or qualified opinions from the Board members to the remuneration packages of directors and managers.
2. The remuneration of the Company's directors is based on the overall consideration of the Company's operating performance, industry standard and the level of participation of individuals in the operations of the Board of Directors.
3. The manager's remuneration is based on the Company's operating performance and personal performance, and is paid with reference to the industry standard.

Title	Name	Attendance rate(%)
Convener	Yeh Kuang-shih	100
Committee member	Hsuan Chien-Shen	100
Committee member	Ling-Long Shen	100
Convener	Yungdu Wei	100
Committee member	Yojun Jiao	50
Committee member	Anping Chang	100

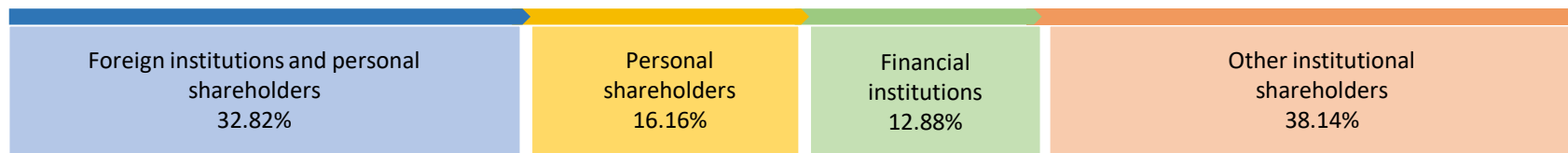
Title	Name	Attendance rate(%)
Convener	Hsuan Chien-Shen	100
Committee member	Yeh Kuang-shih	100
Committee member	Ling-Long Shen	100
Convener	Yojun Jiao	0
Committee member	Yungdu Wei	50
Committee member	Anping Chang	100

## Corporate Governance Review

The corporate governance review is an indicator of corporate governance performance of listed companies in Taiwan. With continuous efforts, SYNNEX's latest review results have achieved a ranking of top 21% to 35% among the listed companies in terms of transparency and timeliness of information disclosure. The Company also strengthens the governance structure and makes corresponding improvement, the measures of which are as follows:

Assessed areas	Website	Annual report
The company formulated and disclosed on its website the internal rules and implementation conditions that prohibit insiders, such as directors or employees, from profiting from information that is not available on the market?	✓	✓
Stipulate a policy of diversification of board members and disclose the specific management goals and implementation of diversification policies	✓	✓
At least two independent directors whose consecutive terms do not exceed three terms	✓	✓
Disclose the separate communication between the Independent Directors and the internal audit Supervisors and accountants	✓	✓
Established an information security risk management framework, formulated information security policies and specific management plans	✓	✓
Reveal the identity of the stakeholders, concerns, communication channels, and responses	✓	✓
Disclose its ethical corporate management policies that have been passed by the Board of Directors and specify specific practices and programs to prevent dishonesty, and does it explain its implementation status	✓	✓

## Shareholder structure



## List of major shareholders

Name of major shareholder	Shares held	Shareholding percentage (%)
MiTAC Inc.	260,521,054	15.62
Yuantai Taiwan Dividend Plus ETF account	75,162,161	4.51
Lien Hwa Industrial Holdings Corp.	59,526,125	3.57
Morgan Stanley Capital International managed account with HSBC (Taiwan) acting as custodian bank	54,446,558	3.26
Cathay Sustainability High Dividend ETF Securities Investment Trust Fund Account of the Cathay High Dividend Taiwan Equity Fund with Taishin International Bank Co., Ltd. acting as custodian	36,963,000	2.22
Tu Shu-Wu	36,156,381	2.17
Nan Shan Life Insurance Company Ltd.	31,650,000	1.90
Rong Syuan Investments Co., Ltd.	30,778,086	1.85
Miau, Matthew Feng Chiang	28,452,004	1.71
Mei-An Investment Corp.	21,118,971	1.27

## 1-3

## Ethical Corporate Management

In the “Ethical Corporate Management Best Practice Principles”, the company clearly establishes the prevention of unethical conduct such as bribery and accepting bribes, offering or accepting improper benefits, offering or promising facilitation fees, offering illegal political donations, engaging in unfair competition, providing improper charitable donations or sponsorships, disclosing confidential information, and damaging the rights and interests of stakeholders. The company has taken preventive measures and conducted education and promotion to implement the ethical corporate management policy.

The company has stipulated the "Anti-Corruption Commitment" to request all suppliers to conduct transactions faithfully without any acts of bad faith, and to establish a good procurement system.

The company has established and follows effective accounting systems and internal control systems, and conducts reviews regularly so as to ensure that the design and enforcement of the systems continue to be effective. The company's internal audit unit shall regularly and irregularly review the status of the company's internal control systems compliance.

The company has established a whistleblowing system and created an independent reporting mailbox for processing the whistleblowing procedures. The company has also established standard operating procedures for investigating reported cases and related confidentiality mechanism to ensure the confidentiality of investigation operations and audit documents of the reported cases.

Reporting Mailbox : [anti-corruption@synnex.com.tw](mailto:anti-corruption@synnex.com.tw)

Informers shall be protected. If the informer is an employee of the company, the company promises to protect the informer from improper dispositions for whistleblowing. The relevant personnel who processes the reported case shall strictly keep secret the identity of the informer and the contents of the report. The company shall impose internal penalties according to the seriousness of the circumstances on those in violation of the previous two provisions.

There were no grievances reported in 2021.

## 1-4

## Tax Management

## Tax Management Policy

SYNNEX is committed to comply with the local tax laws of each location, calculate the correct tax liabilities and make filing and payment on time to support tax policies that are conducive to economic growth. In accordance with the Company's tax governance policy, SYNNEX and its domestic and overseas subsidiaries shall follow the principles as follows:

- Comply with international tax standards and local tax regulations, file and pay taxes in accordance with the law, and fulfill the social responsibility as a taxpayer.
- Avoid double taxation through pre-tax assessment to bear reasonable tax costs, and create value for shareholders.
- Comply with the financial reporting standards and regularly disclose tax information to enhance corporate transparency.
- Strengthen the professional knowledge of the tax management unit to develop the ability to identify and respond to various tax issues in a timely manner.
- Assess the impact of changes in tax laws, major transactions and decisions or the different legal interpretations by the tax authorities to propose appropriate responses.

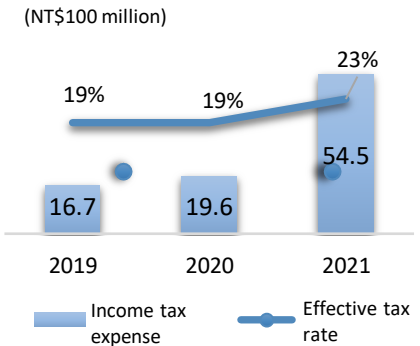
## Tax Governance

The CFO of SYNNEX shoulders the ultimate responsibility for tax management, leads qualified and experienced tax professionals in the day-to-day administration and management of the Company's tax obligations. In addition, SYNNEX also enhances its professional knowledge through the professional services provided by external tax consultation institution.

The Board of Directors of SYNNEX entrusts the Audit Committee supervisory to oversee the quality and integrity in the accounting, auditing, and financial reporting processes, as well as financial control. The supervisory also includes tax compliance.

## Income tax expense

The statutory tax rate of each location of operations are different. The effective tax rate also fluctuates with the changes in profits distribution each year. The Company's income tax expenses for 2021 amounted to NT\$5.45 billion with an effective tax rate of 23%.





## 1-5

## Risk management

Risk item	Risk factor	Impact on the company in 2021	Response measures
Change of government policy and regulations	As the company is a channel business with strong logistics capabilities, the risk of product R&D focuses solely on suppliers or customers. At present, the industrial policies of the governments of each country in which the company is located tend to encourage the development of high valueadded logistics operations, especially in Taiwan and the China. Thus, the risk of change of government policies and regulations is limited at present.	There are no major changes in government policies and regulations.	The Company will continue to observe and analyze the future direction of government policies and regulations in order to facilitate immediate response.
Change of technology	The company's product range is mostly high-tech products; thus, sales change triggered by change of technology will result in operational risk, for example, unable to become an agent for innovative products.	The company's product distribution rights have both increased and decreased.	The Company operates on its policy of "multi-brand, multiproducts." The products that the Company distributes include wellknown global brands. In general, most major brands have good control over their technological advantages; thus, the Group's operational risk is effectively reduced.
Change of corporate image	As the end-user of the company's IT and Telecom products are consumers, corporate image is very important to the company's operation.	The corporate image of the company remains positive and there is no event that significantly damaged the company's image.	<ol style="list-style-type: none"> <li>1. Strengthen the service skills of the customer service department, and fully utilize the functions of customer feedback and consumer complaint mailbox.</li> <li>2. In case of major consumer disputes, an inter-departmental team shall be formed to keep the situation from worsening</li> </ol>

Risk item	Risk factor	Impact on the company in 2021	Response measures
Mergers and acquisitions	Mergers and acquisitions can facilitate the expansion of product distribution and range while expanding market share. However, there are risks of overpricing, under-valuing liability, and failure in integration.	The company did not participate in any mergers and acquisitions.	N/A.
Expansion of plants	Synnex's core competitive advantage is effective and quality back office logistics operation that enhances value added services, expands market share, and enhances overall performance. However, there exists risks of poor cash flow resulting from over-expansion, low utilization, or idleness.	The cost of establishment or expansion of logistics centers was approximately NT\$403 million.	Before expansion: Careful evaluation of investment effectiveness and cost. After expansion: Introduce successful operational experience and management to develop its effectiveness.
Centralized purchasing or sales	The risk of centralized purchasing is the impact to the company's performance when distribution rights or when the represented product has lost its competitiveness. The risk of centralized sales is the significant impact to the company's performance when losing a customer.	The company does not have over centralized purchasing and sales issues. See the statistics of the "Group's list of key clients and amounts in the past two years"	The Company operates on its policy of "multi-brand, multiproducts" and "open channel management" to establish dense reseller network" to develop markets, which can also effectively avoid risk of centralized purchasing and sales.

Risk item	Risk factor	Impact on the company in 2021	Response measures
Information security	Information security risk refers to the threat that may affect the assets, processes, and operating environment of the entire enterprise organization. The business operations of the company are highly dependent on the establishment and development of information systems. Thus, the control of information security is very important to avoid losses due to information confidentiality, integrity, or availability	The Company has no major deficiencies in information security-related audits and has no major information security incidents resulting in leakage of customer information and fines.	1. The Company introduced the ISMS information security management system in 2016, and has regularly obtained ISO27001 certification. The current certificate is valid from August 2019 to August 2022. 2. Monthly security and antivirus updates for the IT environment's software and hardware, and strengthen colleagues' security awareness and promote implementation through push notifications. 3. Continue to track the latest security information and threats in the market, and immediately assess the scope of impact and formulate countermeasures to ensure that the Company's information environment is synchronized with changes in security. 4. Evaluate the Company's risk events each year, establish a risk event database, control the risk events and levels that may exist in the enterprise, and continue to track improvement. 5. Strengthen the Company's IT environment backup mechanism and implement BCP drills to ensure that the Company's operations can continue uninterrupted when natural disasters and manmade disasters occur.

Risk item	Risk factor	Impact on the company in 2021	Response measures
Litigation or non-litigation events	Major litigation and non-litigation events of the Company and the Company's Directors, Supervisors, President, actual owner, major shareholders with over 10% of shareholding, and subsidiaries will damage the Company's image, shareholder rights, and Synnex's share price	Description below	With the established reporting system, the Company will minimize the damage through honest, fast, and open process

The concluded or pending litigious, non-litigious, or administrative litigation event as of the date of report is described as follows: 1. Kunhao (Kunshan) Electronics Co., Ltd. brought up a suit against Syntech Asia Ltd. (SAL) at the High Court of Hong Kong on November 24, 2015, claiming that SAL violated its verbal sales commitment with Kunhao and requesting compensation of US\$2,964 thousand from SAL found the claim having no ground thus raised a plea against it, asking the High Court of Hong Kong to dismiss the suit on February 1, 2016. The case was settled for US\$850 thousand on May 31, 2021, and the settlement was paid on June 7, 2021. The case is now closed. 2. On November 13, 2017, the Suzhou Xiangcheng District People's Court in Jiangsu Province accepted the suit brought by Ziguang Digital (Suzhou) Group Co., Ltd. against Synnex Distributions (China) Ltd. for a dispute over a sale and purchase contract. Ziguang believed that the goods they received were not the target of the contract and requested a refund. The court dismissed the case on January 22, 2018 since it believed that the Public Security Bureau was investigating the case. In August 2020, on the grounds that the Public Security Bureau canceled the criminal investigation, lawsuits were successively renewed for RMB 28,926 thousand, RMB 17,401 thousand, RMB5,593 thousand, and liquidated damages. In March 2022, the Suzhou Xiangcheng People's Court in Jiangsu Province ruled against the Company in the aforementioned cases. The Company has already estimated and accounted for possible loss, and has adopted such relief measures as retrial.

## 1-6

## Legal Compliance

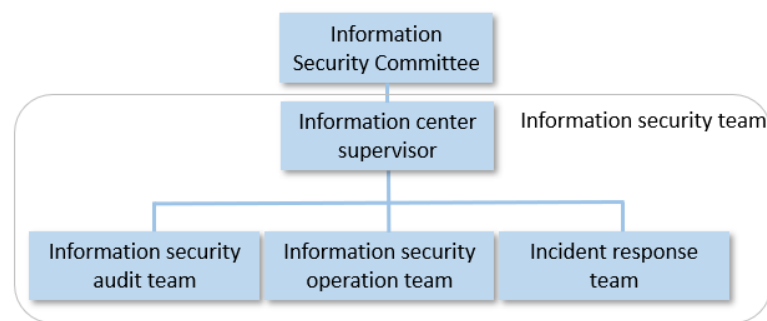
Compliance with the competent authorities and local laws and regulations is the most basic requirement for sound operations of the Company. SYNNEX complies with all laws and regulations, properly manages risk control, sets up legal staff, provides employees with legal education and training, commences legal consultation, and reviews contracts with stakeholders, aiming to achieve the purpose of effective compliance with laws and regulations. There is also an internal auditor to ensure that the internal control system is continuously and effectively implemented. There were no violations of economic, environmental, social and product-related laws and regulations in 2021.

	Corporate Governance Compliance	Environmental Compliance	Social Compliance	Product Compliance
<b>No Violations</b>	<ul style="list-style-type: none"> <li>• No violation of the Company Act</li> <li>• No violation of securities and financial laws and regulations</li> <li>• No corruption-related incidents</li> <li>• No political donations</li> <li>• No anti-competitive Behavior</li> <li>• No antitrust incidents</li> <li>• No antitrust incidents</li> <li>• No customer privacy leakages</li> </ul>	<ul style="list-style-type: none"> <li>• No violation of the Noise Control Act</li> <li>• No violation of the Air Pollution Control Act</li> <li>• No violation of the Waste Disposal Act</li> <li>• No violation of the Water Pollution Control Act</li> </ul>	<ul style="list-style-type: none"> <li>• No violation of the Labor Standards Act</li> <li>• No child labor</li> <li>• No discrimination</li> <li>• No infringement of the rights of indigenous peoples</li> <li>• No infringement of freedom of association and assembly</li> <li>• No forced labor</li> </ul>	<ul style="list-style-type: none"> <li>• No violation of the Fair Trade Act</li> <li>• No violation of the Personal Data Protection Act</li> <li>• No violation of the Consumer Protection Act</li> <li>• No violation of the Commodity Labeling Act</li> </ul>
<b>Violations</b>	None	None	None	None
<b>Corrective measures</b>	None	None	None	None

## 1-7 Information security management

### Management organization

In order to enhance the company's information security management and ensure security of its data, system, and network, an Information Safety Management Committee has been established. The director of the information center serves as the convener of the Committee, and reports to the board of directors at least once a year. The organization of the Committee includes the information security operation team, the incident response team, and the information security audit team; The information security operation team implements the building of the Information Security Management System, including network management and system management; The incident response team is responsible for business continuity plan specifications and crisis handling procedures, implementing incident response measures and reporting, and conducting post-incident analysis and prevention; The information security audit team cooperates with the company's audit unit to conduct information security auditing, including internal and external auditing.



### **Risk management mechanisms**

Execute management of the IT server room, computer information file security, network security, mail security management, information system control access, etc.

### **Information security policy**

The company's information security policy aims to "maintain the confidentiality, integrity, availability, and legality of company information, and avoid human negligence, deliberate destruction, and natural disasters, which result in improper use, leakage, tampering, damage, or disappearance of information and assets which affect the company's operations and cause damage to the company's rights and interests." The company introduced the ISO27001 information management system in 2016, and has regularly obtained ISO27001 certification. The current certificate is valid from August 2019 to August 2022. Through the introduction of the ISO27001 information security management system, the ability to respond to information security incidents has been strengthened, and assets of the company and customers are more secure.



## Specific information security management plan

Item	Specific management measures
Firewall protection	<ol style="list-style-type: none"> <li>1. Set firewall connection rules.</li> <li>2. Can only be opened with the approval of the responsible supervisor when there are special connection needs.</li> </ol>
User Internet access control	<ol style="list-style-type: none"> <li>1. Use an automatic website protection system to control users' online behavior.</li> <li>2. Automatically filter users' Internet access to websites that may have links to Trojans, ransomware, or malicious programs</li> </ol>
Antivirus	Use antivirus software and automatically update virus pattern files to reduce the chance of infection.
Updating of the operating system	The operating system is automatically updated. If it is not updated for some reason, the information center will assist in updating
Email security	<ol style="list-style-type: none"> <li>1. There is automatic email threat scanning protection that prevents suspicious attachment files, phishing emails, spam emails, and expands the protection range against malicious links before users receive emails.</li> <li>2. After a personal computer receives an email, the antivirus software also scans it for suspicious attachment files.</li> </ol>
Data backup	Every important information system database is set up for daily backup
Important file management	The important files of each department in the company are stored on this server, which is backed up and saved by the information center
Network protection	<ol style="list-style-type: none"> <li>1. Connection channel encryption</li> <li>2. Information content encryption and electronic signature verification of information content</li> </ol>
Data storage protection	<ol style="list-style-type: none"> <li>1. Dynamic data masking: Only information with authorization can be accessed to</li> <li>2. Content encryption and storage: Before the sensitive information is stored in the database, it is encrypted before storing, and must be decrypted when using.</li> </ol>

### **Enhancement in Digital Information Security · Upgrade of Customer Privacy**

In order to protect customer information, the Company has established a customer information management system, which focuses on organizational management and operation from the perspective of corporate strategy. Through the analysis of business procedures and information systems, the Company examines the access control of personal information acquisition, processing, transmission and storage, and discloses the privacy statement of customer information on the dealer's website, which not only promises to protect customer privacy, but also clearly explains the use and security regulations of customer information to protect customer privacy. In 2021, the Company did not infringe customer privacy or received complaints by our customers on the infringement of their privacy.

### **Incident notification procedure**

When an information security incident occurs, the unit(s) to which it occurred will notify the information security team — incident response team, determine the type of the incident, find the problem point, deal with it immediately, and leave a record.

**Losses, possible impacts, and countermeasures due to material information security incidents: None**






CH2

Innovative Services



## Material Issues / Innovative Services

SYNNEX has successfully launched a strategic transformation plan to reposition its role and value in the supply chain with the "Management Service Platform (MSP)" to provide diversified solutions regarding various problems, pain points, losses and inefficiencies in supply chain operations.

 Policy	<p>In response to the industry development trend, the "MSP" leverages on its information linking and integration capabilities to integrate various internal operation management mechanisms and expand the integration of upstream and downstream suppliers, third-party companies, and cross-sector partners in different professional areas to provide customers with various business opportunity for service expansion, business operation services, and information services on analysis and management.</p>
 Goal	<p>We will continue to develop and innovate the MSP to meet the needs of various industries, and build a service platform with highly integrated and transparent information, solid and efficient business operations, and intelligent information for decision-making and management, with the goal of achieving stable supply chain operations, creating a win-win situation for platform participants and enterprises, and achieving sustainable business growth and profits.</p>
 Accountable Unit and Resources	<p>Accountable unit: Each business unit and operational planning unit at the headquarters Resources: Software Development Center</p>
 Action Plan	<ul style="list-style-type: none"> <li>- Management Service Platform             <ul style="list-style-type: none"> <li>① Retail business: E-tailer management services, chain store business service platform</li> <li>② Commercial business: Purchase inquiry service, purchase performance and delivery service platform</li> <li>③ Component business: Supply and demand information service, fulfillment business management service platform</li> <li>④ Subscription business: Cloud service, portal recruitment business, insurance recruitment business service platform</li> <li>⑤ Information service platform for decision-making and management</li> </ul> </li> <li>- R&amp;D and application of information linking platform and mechanism (Probe communication technology, message sending platform, APP, API system linking, RPA machine linking)</li> <li>- Business procedure automation and agility</li> <li>- Intelligent operational management (AI technology introduction application)</li> </ul>
 Evaluation Mechanism of Management Approach	<ol style="list-style-type: none"> <li>1) Number of MSP service targets (Brand companies, manufacturers, distributors and third parties, cross-sector partners)</li> <li>2) Business scale and volume involved in MSP operations</li> </ol>

## 2-1

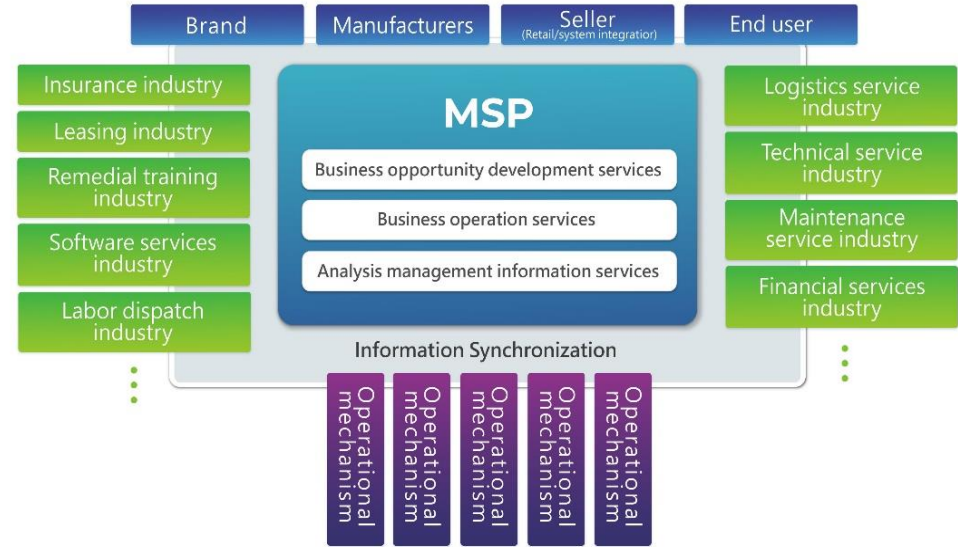
## Innovative Services

## Service Innovations

- Provide various business expansion services, commercial operation services, and information analysis and management services through the "Management Service Platform (MSP)".
- Diversify logistics services to expand home service and warehouse service deployed in cloud platform, and continuously promote intelligent service operations.
- We have provided customized and intelligent information analysis and management services to platform members as well as the information services on service progress in a real-time and transparent manner.
- Established the "AI Smart Lab" and actively developed an AI decision management mechanism.

## Product Channel Innovations

- We have developed recruitment service businesses, including cloud service, portal, 3C product insurance recruitment businesses, etc.
- In response to the post-pandemic era, we have expanded the introduction of software and hardware products for related applications, including video conferencing, smart mobile office, distance learning, smart home, and other intelligent life related products to develop a comprehensive product line.



## Information Linking and Digital Tools Applications

In 2020, SYNNEX actively promoted the "Agility" program to enhance the automation of business operations through digital optimization, accelerate the breadth and depth of information linking between upstream and downstream suppliers, and facilitate procedural transformation and digital transformation across enterprises to comprehensively improve operational efficiency, laying a solid foundation for the "Leap Forward" plan and the strategic transformation of the "Management Service Platform (MSP)" in 2021.

- We have promoted technology R&D to bring information transformation to the level of real-time, accurate and effective use through the five information linking software mechanisms.
- Promote the R&D and application of probe technology for multi-system information extraction and processing
  - Business operations management board: Speed up the procedures to eliminate breakpoints and waiting time in the procedures
  - Operational quality and risk monitoring: Real-time and accurate control of operational losses and risks
  - Retrieve information on business operations: Provide platform members with real-time services
  - Integrate statistics analysis tools: Flexibility in providing information on operational decision-making and management

## APP Mobile Services

Actively develop APP mobile service tools and fully promote the use of tools by employees in SYNNEX. Externally, in response to the expansion of the MSP service industry, we provide customized and intelligent information analysis and management services to platform members through the APP. Among them, the APP service for dealers is the largest in scale, with 4,005 accounts opened in 2021.



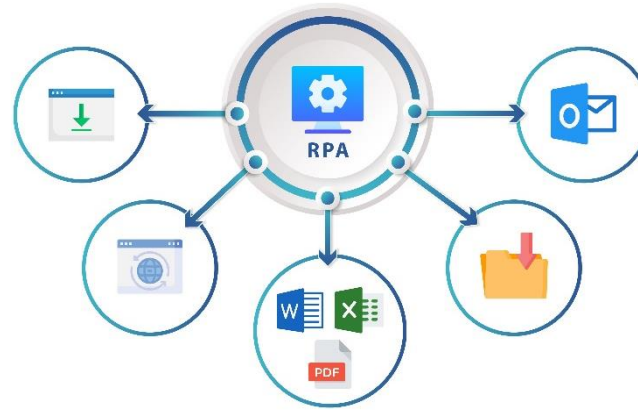
## Information Linking Results

### Expand the scale of API information linking

By the end of 2021, the information linking had reached 123 targets, covering suppliers, customers, carriers, logistics owners, financial services and government agencies; the scale of linking included 91 categories and 707 types of information; facilitate procedural transformation and digital transformation across enterprises to improve overall operational efficiency.

### Expand RPA (Robotic Process Automation) machine linking applications

Leveraging on robotic learning, simulation and execution of business procedures based on rules and logic, we are able to minimize manual labors and repetitive operations on computers to not only improve execution efficiency, eliminate uncertainties and optimize the quality of work, but also invest human resources in highly knowledge-based and creative work, thereby creating greater value. Since 3Q 2021, the Communications Division in Taiwan has been promoting the application of RPA, linking information and tracking progress between the recruitment business service platform and the system vendors. By 1Q 2022, the number of RPA operations accounted for 75% of the total operations. The Group has also introduced the RPA mechanism into each BU.



## Business Procedure Automation

In 2021, we promoted the breadth and depth of information linking between upstream and downstream suppliers, and accelerate the application of information linking. Among which, through the external information linking with SYNNEX and the internal information linking among various service platforms, the purchase and sales system not only reduced the operation costs, but also made digital footprint during business operations clearer as well as enhanced the refinement and transparency of billing. From 2019 to 2021, the percentage of automated billing operations among major suppliers had increased significantly from 3% to 46%.

## AI Technology Integration and Application

The "AI Smart Lab" was established in 2019. In 2020, we active developed AI decision management mechanism, and extended AI technology to abnormality detection and early detection of problems in 2021; avoided deficiencies and recurrences; applied such technology in decision management and auditing, complementing the continuous audit procedures conducted by personnel.

Concrete R&D results:

- ✓ Main customer management system
- ✓ Abnormal weight and volume detection
- ✓ Account receivable risk detection



## 2-2

## Supplier Management

SYNNEX sells products in four major areas, including information, communication, consumer product, and semiconductor products, providing customers with the convenience of multiple brands, multiple products, and one-stop shopping. Currently, SYNNEX sells 300 leading brands worldwide, including Intel, Microsoft, HP, IBM, Apple, Asus, Acer, Lenovo, Samsung, Seagate, WD, Kingston, Huawei, etc.

As of the end of 2021, SYNNEX had more than 300 suppliers, with the top 30 suppliers located in Taiwan, the U.S., Mainland China, South Korea and Hong Kong. In terms of purchasing amount, the top 30 suppliers of SYNNEX (including its subsidiary BestCom) were from the U.S., followed by Taiwan.



## Supplier Management

In addition to strengthening self-management, with respect to partners selection, the Company's focus is in fulfilling corporate social responsibility instead of profits as an important indicator for long-term cooperation. In evaluating the suppliers' fulfillment of their social responsibility, the Company mainly evaluates the following items:

### 1. Product Labeling and Product Inspections

SYNNEX is mainly a product agent and distributor; therefore, the marketing and labeling of products and services are stipulated in contracts with suppliers. The suppliers must comply with the Commodity Labeling Act and the ICT (3C) labeling standards and other requirements published by the Department of Commerce, Ministry of Economic Affairs. Moreover, the Company has applied for product inspections and other verifications with the Bureau of Standards, Metrology and Inspection, Ministry of Economic Affairs so that consumers can understand the products fully.

### 2. "Integral Management, Clean Transactions"

Link with the vendors and customers through SYNNEX's role as a distributor to jointly create a harmonious trading environment. In addition to honoring the commitment to integrity, the Company shall also comply with the relevant laws and regulations as a law-biding and practical enterprise.

### 3. "Green and Environmental, Recycle Energy"

When selecting vendors and suppliers, the Company pays attention to whether the vendors and suppliers comply with the requirements of EU environmental standards and national environmental laws and regulations; also, aim for sustainable development and expand the overall green supply chain performance. The top 30 suppliers of SYNNEX (including its subsidiary BestCom) have entered into contracts with the Company, the content of which includes product labeling,

product inspections, environmental protection, and letter of undertaking of integrity. The following table shows the percentage of the requirements.

Content	Product Labeling Act	Product Inspections	Environmental Protection	Letter of Undertaking of Integrity	Total
Number of companies	10	9	4	11	12
Percentage	33%	30%	13%	37%	40%

Note: The total percentage is calculated by including the content of the contract if any of the requirements are met.








# CH3 | Social





## Material Issues / Employee diversity and equality

We hope to build a diversified and inclusive environment in which the concepts of friendliness, inclusiveness and equality are naturally integrated into the daily work of every employee.

 Policy	<p>We support diversity and inclusion, and treat every colleague with kindness and equality.</p>
 Goal	<p>We create a positive culture of SYNNEX and maintain the current inclusive environment</p>
 Accountable Unit and Resources	<p>The Human Resources Planning &amp; Management Div. is responsible for planning and management. The supervisors of each unit cooperate with each other</p>
 Action Plan	<ol style="list-style-type: none"> <li>1. We create an inclusive environment by selecting and promoting people regardless of gender, culture, nationality or other factors unrelated to work ability</li> <li>2. We continuously assist employees with a friendly and inclusive attitude in providing them with different needs at different stages of life</li> </ol>
 Evaluation Mechanism of Management Approach	<p>Regularly review employee composition, the age distribution and gender ratio of employees, etc. to maintain an appropriate staff composition</p>

## Material Issues / Human Rights

We hope to create a positive, need-oriented culture where each individual has the opportunity to pursue development and growth, without unfair treatment due to personal positions and conditions other than work ability.



### Policy

We prohibit discrimination and protect employees' legitimate rights by supporting and complying with the management policies stipulated in compliance with the "Universal Declaration of Human Rights", "International Bill of Human Rights", "Global Compact", and "Labor Standards Act."



### Goal

No major violations



### Accountable Unit and Resources

The Human Resources Planning & Management Div is responsible for planning and management. The supervisors of each unit cooperate with each other.



### Action Plan

In terms of human rights-related management mechanisms, we create a friendly environment, require ourselves to meet the objectives and safeguards of protecting work rights, banning employment discrimination, providing a safe and secure working environment, ensuring the minimum notice period for major operational changes complies with the labor laws, and unforced labor.








### Evaluation Mechanism of Management Approach

Establish a smooth employee grievance mechanism. Complaints received are investigated and responded to in a confidential manner to ensure the rights and interests of employees.  
Eliminate any forced labor and ensure legal recruitment.

## Material Issues / Labor/Management Relations

SYNNEX has pursued "Stability · Sustainability · Growth" of its business. We firmly believe that: "Good employees lead to good departments, and good departments lead to a good company".

 Policy	<p>Substantiate employee care, offer colleagues a talent development platform, and to continue giving employees a sense of accomplishment and satisfaction at work. Based on the employee-oriented concept, SYNNEX has constructed a diversified, equal, warm, and sound workplace; also, employee safety and training and development are important.</p>
 Goal	<p>We hope that employees working at SYNNEX enhance their competencies, broaden their horizons, and achieve the ultimate goal of 7P (Planning, Professionalism, Perfection, Performance, Profit, Pleasure, Prestige)</p>
 Accountable Unit and Resources	<p>The Human Resources Planning &amp; Management Div. is responsible for planning and management. The supervisors of each unit cooperate with each other</p>
 Action Plan	<ol style="list-style-type: none"> <li>1. SYNNEX's EMBA articles to guide the correct concept</li> <li>2. Weekly and monthly report system to cultivate the habit of organizing and analyzing</li> <li>3. Functional training to enhance professionalism</li> <li>4. Organize team building activities</li> </ol>
 Evaluation Mechanism of Management Approach	<ol style="list-style-type: none"> <li>1. Review the awareness and recognition of capability enhancement and role transition through the four major reporting systems</li> <li>2. Leverage on the function measurement mechanism as an important tool to identify the ability of talent to enable employees to clearly recognize their strengths and weaknesses and set a clear direction for improvement</li> </ol>

## 3-1 Employee Diversity and Equality

1. **Inclusive Environment:** SYNNEX creates an inclusive environment by selecting and promoting people regardless of gender, culture, nationality or other factors unrelated to work ability.
  - **Gender** - 40% of all manager positions at the manager level and above were composed of female by 2021, a 1% increase from 2020. In 2021, 47% of positions above the assistant manager level (inclusive) were composed of female, higher than the proportion of female employees. In addition, in order to eliminate sexual harassment in the workplace, in addition to the formulation of the measures on the prevention of sexual harassment in the workplace and regular publicity, the investigation process of the complaint case takes into account the privacy and confidentiality. Any substantiated cases will be punished severely to ensure a safe working environment.
  - **Culture** - As a multinational corporation, SYNNEX understands that employees from different cultural backgrounds need to communicate and interact with each other on a regular basis to enhance mutual understanding. During the communication process, we pay close attention to the target's language habits and political and cultural background to facilitate mutual understanding and effective communication.
  - **Nationality** - SYNNEX recruits talent regardless of nationality. We hired foreign students in the past to promote business development leveraging on their understanding of cultural background of their countries and language advantage.
2. **Team Building:** SYNNEX recognizes that much of the discrimination and misunderstanding often comes from a lack of understanding between people. We actively organize various team building activities, including family days, sports events, travels, fun activities, etc. Through non-work interactions, we can increase common topics and interaction among colleagues and indirectly eliminate stereotypes and prejudices.
3. **Friendliness and inclusiveness:** We assist employees with a friendly and inclusive attitude in providing them with different needs at different stages of life. For those who need to take care of their children by themselves, we provide a friendly baby-sitting environment. Through appropriate work arrangements, we are able to meet employees' short-term family care needs for them to work without any concern. For those who need medical care or recuperation, we provide options of unpaid leave for medical treatment, so that they can receive proper treatment and do not have to worry about their employment rights.

## Human rights assessment

We prohibit discrimination and protect employees' legitimate rights by supporting and complying with the management policies stipulated in compliance with the "Universal Declaration of Human Rights", "International Bill of Human Rights", "Global Compact", and "Labor Standards Act".

There were no major violations in 2021 °

### Human rights-related management mechanisms

Protect work rights	As of December 31, 2021, we have a total of 1,280 employees. Among them 1,245 employees are permanent, accounting for more than 97%. We did not hire any dispatched workers. All employees are provided with all of the rights and interests as specified by the regulations from their first day at Synnex to ensure their employment rights.
Anti-employment discrimination	We hire employees and arrange promotions based on work ability, without any discrimination or unfair treatment based on race, class, language, thought, religion, political party, place of birth, gender, appearance, facial features, sexual orientation, age, marital status, mental and physical disability, zodiac sign, blood type, or union membership.
Provide a secure work environment	To provide employees with a secure work and service environment, we have stipulated a plan to prevent illegal infringements while performing duties to identify and evaluate possible hazardous risks and take preventive measures to avoid physical, mental, or verbal threats and attacks from internal and external personnel when employees are working. We have established measures of prevention, complaint, and punishment of sexual harassment in the workplace, and have set up a Complaints Evaluation Committee to handle sexual harassment complaints and ensure that the work environment for our employees is safe.
Minimum notice period for major operational changes complies with the labor laws	Our minimum notice period for major operational changes complies with the Labor Standards Act. We give prior notice before terminating a labor contract. The minimum notice period depends on the employee's seniority.
No compulsory labor	We establish labor-employer relations with our personnel based on mutual respect and trust and are in compliance with the laws and regulations to ensure that there will be no violations of forced labor, slavery, or human trafficking, or illegal employment of child labor.



## 2021 Staff composition

Type	Category	Male		Female		Total	
		Number of staff	%	Number of staff	%	Number of staff	%
Employee type	Permanent	719	58%	526	42%	1245	97%
	Part time	17	49%	18	51%	35	3%
	Dispatched	0	-	0	-	0	-
Employer-employee contract	Permanent (non-fixed term contract)	679	57%	517	43%	1196	96%
	Contract (fixed term contract)	40	82%	9	18%	49	4%
Nationality	Taiwanese Citizen	718	58%	526	42%	1244	100%
	Foreigner	1	100%	0	0%	1	0%
Age	≤30 years old	146	52%	135	48%	281	23%
	31-50 years old	510	59%	360	41%	870	70%
	≥51 years old	63	67%	31	33%	94	8%
Management	Management personnel	109	60%	72	40%	181	15%
	Non-management personnel	610	57%	454	43%	1064	85%

1. The number of persons by employee type includes part time personnel; all other disclosures are permanent employees

2. Management personnel is defined as those above the manager level

### Total number and proportion of newly hired permanent employees in 2021

Gender	Age range	Number of new recruits	Total number of employees	Percentage of new recruits
Female	≤30 years old	42	135	9.5%
	31-50 years old	8	360	
	≥51 years old	0	31	
Male	≤30 years old	51	146	11.3%
	31-50 years old	30	510	
	≥51 years old	0	63	
Total		131	1,245	10.5%

### Total number and proportion of permanent employees who departed in 2021

Gender	Age range	Number of departing employees	Total number of employees	Percentage of departing employees
Female	≤30 years old	40	135	14.6%
	31-50 years old	35	360	
	≥51 years old	2	31	
Male	≤30 years old	51	146	15.6%
	31-50 years old	55	510	
	≥51 years old	6	63	
Total		189	1,245	15.2%

## 3-2 Occupational health and safety

Protecting and preventing employees from being harmed in the workplace and on business trips is an important issue that we work hard to solve and drive, and an important commitment to our employees that lets them work, worry free. We hope to reduce the occurrence of occupational incidents through improving the work environment, education and training, and management measures. Zero occupational incidents and injuries is our goal.

To provide our employees with a safe and healthy work environment, the workplace and server rooms are inspected daily to strengthen electricity safety, and company cars are checked each day before they are driven. Also, we arrange for professionals to perform regular maintenance work, such as monthly inspections of high and low voltage equipment by professional electromechanical companies, quarterly inspections of drinking water quality, bi-annual water tower cleaning and water quality inspection, and annual maintenance of air conditioners and blowers. We also regularly check our buildings for structural safety and slope, reinforce the structure between pipes, and inspect the ceiling structure, fire-fighting equipment, and safety of building facilities to strengthen workplace safety so that our employees can work with peace of mind.

In terms of the logistics centers, regular inspection and maintenance of forklifts, fire-fighting facilities, electrical appliances, generators, elevators, automated warehouse cranes, and air compressors are carried out according to the annual automated inspection plan. Storage cabinets for flammable items are installed and reinforced, and guardrails have also been added to prevent falling. We also strengthen safety regulations for equipment maintenance by employees.

The 2021 total attendance for external occupational safety education is shown in the table to the right. We also organize a variety of education and training courses for employees to enhance their safety awareness and avoid unsafe behaviors.

The logistics centers also focus on job characteristics by educating employees on the key points of forklift operation safety, teaching them the correct posture for lifting heavy objects, etc., and lead them in warm-up exercises every morning to prevent musculoskeletal injuries caused by moving heavy objects.

Moreover, if the work environment cannot be completely improved by engineering control, we also provide personal protective equipment such as waist protectors and earplugs to avoid and reduce lumbar injuries and noise hazards caused by handling items.

For high-altitude operations, we inspect equipment and promote safety before the operations take place, and require safety helmets and safety belts to be worn to prevent fall hazards.

### Occupational safety and health training courses

Type	Course title	Enrollments
Internal training	Occupational safety and health training for new hires	68
	Occupational safety and health training for employees	1,670
External training	On-the-job training for occupational safety and health management personnel	1
	On-the-job training for occupational safety and health supervisors	1
	Education and training for forklift operators	25
	Safety and health education and trainings specified for first aid personnel	1
	Training lectures refresher course for fire prevention managers	1

We established an Occupational Safety and Health Committee that reviews, coordinates, and gives recommendations on occupational safety and health management issues on a quarterly basis. The committee also encourages employees to provide safety and health management recommendations based on actual work conditions to participate in the process of establishing management measures.

Members of the committee include one chairman and one executive secretary, and the proportion of employee representatives of each location is 56% to 57%, which fully complies with the legal requirement that employee representatives should account for more than one-third of the members.

#### Composition of the Occupational Safety and Health Committee by each logistics center

	Number of committee members	Number of employee representatives	Employee percentage
Taipei logistics center	9	5	56%
Taichung logistics center	7	4	57%
Kaohsiung logistics center	7	4	57%

## Occupational injury prevention

A total of seven occupational injuries occurred in 2021, of which two were due to employee safety negligence during the performance of their duties, and five was a traffic accident that occurred when an employee was commuting to and from work while riding a motorcycle.

In 2021, the disabling injury frequency rate is 2.71, the work days lost rate is 98.08 (calendar days), and the number of occupational deaths is 0.

A careful analysis shows that the injuries are mostly due to accidents caused by negligence of their own safety (accounting for 70% of all incidents). Thus, to enhance employees' safety awareness and reduce the risk of similar incidents, we actively strengthen internal education and training and safety promotion.

## 2021 Occupational injury statistics

Employees	Male	Female	Total
Injury frequency rate (IR)	3.40	1.81	2.71
Occupational disease rate (ODR)	0	0	0
Lost day rate (LDR)	127.68	58.71	98.08
Absence rate (AR)	0.42%	0.45%	0.43%
Total number of occupational deaths	0	0	0

1. IR = number of occupational injuries x 1,000,000/total hours worked
2. AR = total days absent/total working days x 100% (including sick leave, menstrual leave, tocolysis leave, and occupational injury leave)
3. ODR = total number of occupational diseases/total hours worked x 1,000,000
4. LDR = total work days lost × 1,000,000/total hours worked
5. The unit for the above is per million working hours

## Occupational disease prevention and employee health management

### On-site healthcare services

We introduced health service doctors with services provided on site, including health seminars and physician consultation. In addition to health consultation, special consultation topics were planned. These topics include employees who feel they are experiencing musculoskeletal discomfort and abnormal workload; and female employees who are breastfeeding during pregnancy, within one year after giving birth, and still breastfeeding after giving birth. Through these services, we track and understand the health conditions of high-risk employees.

### Health enhancement activities

We organize health enhancement activities irregularly, such as weight loss activities, employee athletic games, family days, and blood drives, to promote health awareness and educate employees on proper health concepts.

### Hired healthcare nurses

We set up healthcare nurses to care for and follow up on the health of our employees, as well as regularly inspect the workplace and the cleanliness of the nursery environment and replenish materials to provide employees with a nice work environment.

### Regular medical check-ups

We provide free medical check-ups to our employees, which is superior to the regulations. The examination items are diverse and include a full blood panel, cardiovascular disease, cancer screening, eye pressure testing, ultrasound, x-ray, and electrocardiogram. Family members of our employees are offered the same check-up at a discounted price to raise their willingness to get regular check-ups to safeguard the health of our employees and their family.

### Health promotion environment

To protect employees who work with computers for long periods of time, we have been using 22-inch low blue light monitors to reduce the burden and damage to the eyes.

Neck and shoulder massage services are provided by a professional masseuse to relieve the stiffness from sitting in the office for long hours, improve blood circulation, and relieve stress. 2,698 massages were provided in 2021.

### 3-3 Education and Training

#### Diversified and Systematic Education and Training

In addition to face-to-face physical courses, SYNNEX has set up a knowledge management system for employees to learn independently online, without the limitation of hardware environment so as to arrange courses flexibly. We also assist employees in improving their career development through internal education and training, monthly reports, and project sharing for many years.

#### Average training hours for female employees in 2021 Note: Including internal and external training

Employees	Total Training Hours	Total number of employees	Average training hours
Supervisor	2484	72	34
General employees	10827	404	26
New employees	1221	50	24
Total	14532	526	27

Note: Supervisor is defined as those above the manager level

#### Average employee training hours in 2021 Note: Including internal and external training

Employees	Total Training Hours	Total number of employees	Average training hours
Supervisor	5616	181	31
General employees	24345	933	26
New employees	2178	131	16
Total	32139	1245	25

Note: Supervisor is defined as those above the manager level

#### Average training hours for male employees in 2021 Note: Including internal and external training

Employees	Total Training Hours	Total number of employees	Average training hours
Supervisor	3132	109	28
General employees	13518	529	25
New employees	957	81	11
Total	17607	719	24

Note: Supervisor is defined as those above the manager level



## Career Development

SYNNEX has established a smooth promotion channel, and does not consider the length of service as a benchmark for promotion. Instead, we view the actual capabilities as an important criterion for promotion assessment. The promotion rate was 14% in 2021.

Each unit has set up a clear career development path. The Software Development Center provides a sound career development system from basic programming, system design, system analysis, project management to cross-platform management; the business unit from internal business, channel operation, product management, product planning to departmental operation; the back office unit of the headquarters from basic execution to system design planning and overseas management; and the logistics system from on-site operation, online supervision to potential staff.

## Performance Management Measures

For different types of professional functions, different performance evaluation benchmarks have been set up, and fair measurements are made based on qualitative and quantitative indicators. In addition to job performance assessment, a "function measurement system" is also in place, which summarizes four categories of functions, including work attitude, basic ability, professional ability, and supervisory ability, with self-evaluation and supervisor evaluation conducted every six months.

**Performance Evaluation System and Number of Employees Evaluated**

Type	Performance Evaluation Frequency	Number of Employees Evaluated in 2021				Description
		Male		Female		
Sales Staff	6 times/year	181	100%	214	100%	Performance evaluation is conducted each period to evaluate the performance of sales staff, taking into account individual performance, departmental performance and Company performance.
R&D and Support Unit Staff	1 time/year	189	100%	234	100%	Performance evaluation is conducted each year to evaluate personal annual contribution and overall performance of the back office staff, also taking into account the overall individual performance, departmental performance and Company performance.
Logistics Operations Staff	12 times/year	349	100%	78	100%	The logistics function is a powerful support for SYNNEX's basic operations. The performance and quality of work of the direct logistics staff are evaluated on a monthly basis. There are different focus of the evaluation based on the nature of duties and specialties, such as logistics, warehousing and maintenance.

## 3-4 Compensation and Benefits

### Employee Compensation Policy

Synnex provides market-competitive salaries. In addition to fixed salaries, there are different performance evaluation benchmarks for professional functions of different job types based on the company's business performance as well as departmental and individual goals. The focus of logistics staff work is on daily operational performance, so they are evaluated on a monthly basis; For business personnel, the management of long-term relationships with customers adopts the quarterly evaluation method; Headquarters administration and R&D functional personnel adopt the annual performance evaluation system.

In order to provide incentive to employees and the management team, employee compensation follows the regulations of the company; the company's net income before tax before deducting remuneration to employees and Directors and after making up for losses should be applied to pay remuneration to employees in an amount not exceeding 10% and not less than 0.01% of the balance, and is issued after approval by the Board of Directors

#### Information about salary of full-time employees who are not in a managerial position

Item	2019	2020	2021	2020 Growth compared to the previous year	2021 Growth compared to the previous year
Number of employees	775	750	697	-3.2%	-7.1%
Average amount of employee salary(NTD '000/ person)	999	1,032	1,179	+3.3%	+14.2%
Median amount of employee salary(NTD '000/ person)	817	862	1,006	+5.5%	+16.7%

Range : Synnex Technology International Corporation

## Benefits

In addition to solid training mechanisms and smooth promotion channels, Synnex attaches great importance to providing employees with sufficient security and a work environment where they can feel at ease, and encourages employees to commit to creating an "intelligent and balanced work lifestyle". As a result, employees will not need to worry about their health, economic situation, and family care.

### Competitive Compensation Package

We provide competitive wages and overall compensation that reflects the level of individual contribution to award proactive, hardworking employees with greater rewards so that compensation matches performance.

### Social insurance

Enrollment in labor insurance for full salary, labor retirement pension contribution, and enrollment in National Health Insurance as required by the law.

### Retirement system

We handle retirement matters in accordance with the requirements of the Labor Standards Act and Labor Pension Act. The company has formed the Employee Pension Reserve Committee. The new pension system has been implemented in accordance with the Labor Pension Act since July 2005. For the new employees and the existing employees who choose to apply the new pension system, the company pays 6% of their monthly salaries to their personal pension accounts with the Bureau of Labor Insurance.

### Employee group insurance

The company enrolls all permanent employees in group insurance. All employees have life insurance coverage of at least NT\$3 million, providing 3-5 years of economic security to their families.

### Employee Care

The company cares for employees by providing cash gifts or gift certificates for marriage, funeral, hospitalization, childbirth, and birthday.

### Interest free loans

Employees that have served at the company for at least one full year are eligible for interest free loans for house purchase, house repair, marriage, childbirth, car purchase, and emergency relief, to reduce the financial burden of employees who are dealing with major life events. 1,290 employees applied for loans since the establishment of this benefit and the total amount loaned is more than NT\$400 million.

The number of employees applying for interest free loans and the total amount of loans allocated

Year	2018	2019	2020	2021
Number of employees	27	21	23	95
Amount (NT\$)	12,821,000	10,284,000	12,568,000	13,316,000

### Leave system

Emphasizing the creation of an "intelligent and balanced work lifestyle" to encourage colleagues to "take adequate vacations". In addition to the annual leave required by law, new employees that have been on board for less than one year are eligible for leave better than the standards specified in the Labor Standards Act.

### Team building activities

We arranges a variety of events each year, such as athletic games, family days, gifts for the three major holidays, movie appreciation events, spring festival galas, corporate retreats, and team building activities to create unity.

### Neck and shoulder massages

Neck and shoulder massage services are provided by a professional masseuse, relieving the stiffness from sitting in the office for long hours and improving blood circulation.

## Parental leave

We provide employees with a friendly flexible parental leave environment.

According to the statistics in 2021, among the female employees who are eligible for parental leave, over 50% (also a number of male colleagues had applied for parental leave) had applied for parental leave right after maternity leave. This has helped reduce the conflict between work and family care for female employees, so that female colleagues do not have to cut their careers short due to the need for short-term family care!

### Parental leave, reinstatement and retention rates

Item	No. of male	No. of female	Total
Number of employees eligible for parental leave in 2021 (A)	62	58	120
Number of employees who took parental leave in 2021 (B)	3	31	34
Expected total number of reinstated employees in 2021 (C)	1	17	18
Actual total number of employees reinstated during the reporting period in 2021 (D)	1	10	11
Actual total number of employees reinstated during the reporting period in 2020 (E)	0	20	20
Total number of employees still on the job 12 months after returning from taking parental leave in 2020 (F)	0	15	15
Parental leave application rate (B/A)	5%	53%	28%
Reinstatement rate (D/C)	100%	59%	61%
Retention rate (F/E)	-	75%	75%

Note:

1. Male: took paternity leave in 2019-2021 Female: took maternity leave in 2019-2021
2. Reinstatement rate: Actual number of employees still on the job 12 months after returning from taking parental leave/Actual reinstatement after taking parental leave (during the previous year)
3. Retention rate: Employees still on the job 12 months after returning from taking parental leave (during the previous year)/Actual reinstatement after taking parental leave (during the previous year)

### 3-5 Labor Relations

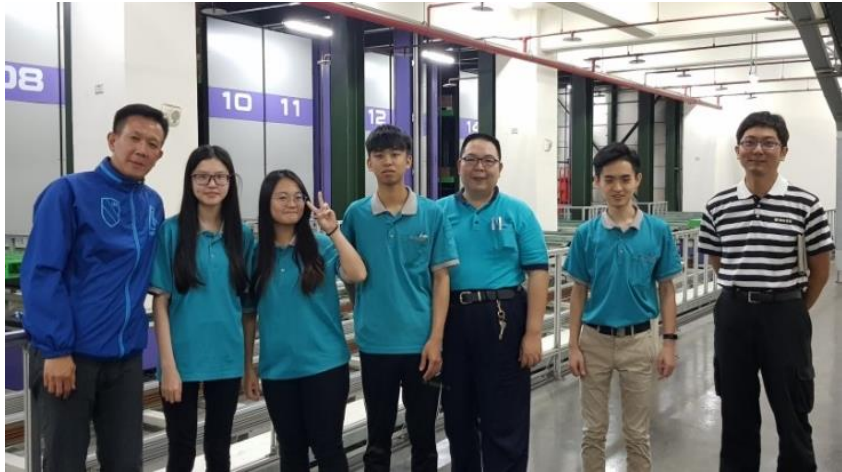
No significant labor dispute or loss has occurred in 2021.

Communication channels	Description
<b>Employer-employee meetings</b>	For smooth communication between employee and employer, and to establish consensus, employer-employee meetings are regularly held every quarter to discuss labor-related rights and interests to promote harmonious employee and employer relations. Employees account for more than 50% of the participants in the employer-employee meetings to protect their rights.
<b>Employee Welfare Committee meetings</b>	Employee Welfare Committee meetings are held every quarter to discuss relevant welfare measures and the arrangement of activities to promote the well-being of our employees and enhance organizational loyalty.
<b>Chat sessions/seminars</b>	Chat sessions with supervisors are regularly held for cross-departmental communication in a relaxed manner to promote mutual consensus and facilitate affairs. New employee workshops are held to help new employees understand and dispel doubts so that they can fit well with the company's culture and values.
<b>Information and announcements</b>	We regularly use APP, email and physical bulletin boards to notify employees of systems, concepts, welfare activities, and information about company operations to ensure they understand and agree with the company's philosophy, activities, and development direction.

## 3-6 Social Participation

### Academia and industry collaboration intern program

We provide internship opportunities that combine education, learning, and practice, so that outstanding college students can gain in-depth understanding of the workplace environment and industry ecosystem by participating in and experiencing the operations of a world-class company before entering the workplace. The internship also allows young students to better understand Synnex and cultivate the future talent pool of Synnex and the society.



## Logistics centers provide industry-academia exchange and education and training

The logistics centers located in Linkou and Taichung use the most advanced warehouse management and smart logistics systems.

In recent years, these centers have been receiving visits from industry and academia. Visiting units include NCTU, NCCU, CUHK, and the National Central Library, as well as industry exchanges.





## Blood Donation Event

To alleviate blood shortage and help those in need, SYNNEX have held blood donation activities for several years .

In 2021, SYNNEX held blood donation activities, collecting a total of 92 bags of blood .



## Jointly Fighting against the Pandemic in the Pursuit of Sustainability with Love

SYNNEX has long been concerned about the medical and social welfare in rural areas. In 2022, due to the resurgence of the pandemic, SYNNEX noticed that Tungchi Public Welfare has been providing the disabled elderly and the physically and mentally challenged with home services and home care for a long period of time. As there was a large demand for masks, we donated 8,000 medical masks to Tungchi Public Welfare to ensure the health of the caregivers and the cared.







CH<sub>4</sub>

Environment

# TCFD supporter.

Task Force on  
Climate-related  
Financial  
Disclosures





**SYNNEX, the first electronic distributor who signed up as a supporter to disclose TCFD in Taiwan**

Synnex is a channel integration service provider in high-tech industry. Although we don't belong to manufacturing industry featuring high pollution, it's our duty to mitigate and adapt to the threats of climate change as a citizen on the earth.

In view of more frequent occurrences of global extreme climate, tightening up on climate-related regulations, and consumer's behavior changing nowadays, all conditions pose potential threats to our revenue, brand value, and reputation. Therefore, Synnex keep optimizing the measures of identifying and managing climate-related risks and opportunities, as well as developing strategies to improve the ability to low-carbon operation among itself and business partners, contributing to sustainable development of the world.

To uncover potential risks and opportunities, Synnex has followed the recommendations and framework of Task Force on Climate-related Financial Disclosures (TCFD) since 2019, and signed up as a TCFD supporter in Oct. 2021 to move ahead in environment protection and sustainable operation.



	<p><b>Sustainability Committee: The top organization for climate change management</b></p> <ul style="list-style-type: none"> <li>The Sustainability Committee is responsible for supervising and managing the company's overall sustainability issues and climate-related topics. It reports regular updates on progress to the Chairman. The plans and reviews are reported to the Board of Directors quarterly since 2022.</li> </ul> <p><b>ESG Environment Team: Implement the projects in accordance with the strategies and objectives developed by the committee</b></p>
 <p>Climate strategies</p>	<ul style="list-style-type: none"> <li>Regular research: Environment team gathers feedback from each business unit.</li> <li>Identification and evaluation: Climate-related risks and opportunities</li> <li>Develop strategies: Meetings are held to discuss appropriate measures in mitigating potential climate risks and grasp sustainable opportunities.</li> </ul>
 <p>Risk management</p>	<ul style="list-style-type: none"> <li>Based on the TCFD framework: Building up the identification procedure for SYNNEX's climate risk.</li> <li>Incorporate in operational strategy: Develop preventive maintenance plans to mitigate and adapt to climate change.</li> <li>Proactive approach: Adopt necessary set-up and investments to manage climate-related risks.</li> </ul>
 <p>Metrics and Targets</p>	<ul style="list-style-type: none"> <li>Anchor: Climate change related indicators of management.</li> <li>Review: Annual achievements and actual performance.</li> <li>Analysis: Annual achievements and improvements.</li> </ul>

## Results of identification of climate-related risks and opportunities in 2021

### Potential Risks

Aspect	Issue	Description of potential risks	Expected impact time frame	Potential financial impact	Responsive measures
<b>Policy and regulations</b>	Business units are subject to local carbon reduction regulations	To slow down the greenhouse gas emissions, governments of various countries have successively amended relevant regulations. Operating globally, though Synnex doesn't belong to manufacturing industry, we may still be subject to local regulations and incur additional costs of carbon reduction.	Mid term	Increasing costs	<ul style="list-style-type: none"> <li>✓ Keep an eye on local regulations changes</li> <li>✓ Review the progress of achieving the company's energy conservation and carbon reduction goals</li> <li>✓ Replace energy-consuming equipment</li> </ul>
<b>Supply chain management</b>	Green supply chain	The supply chain jointly pursues green sustainability, and greenhouse gas reduction management has become a necessary evaluation item in the procurement process. It is SYNnex's responsibility to meet the needs of our customers and keep abreast of ESG trends together with customers.	Mid term	Increasing costs	<ul style="list-style-type: none"> <li>✓ Pay attention to ESG trends</li> <li>✓ Evaluate and implement applicable International Standards (ISO, etc.)</li> <li>✓ Plan to obtain ESG-related certifications by third-party.</li> </ul>
	Pass-through costs from suppliers	Suppliers' production costs increase due to climate changes. This may increase the purchase price of products. The price increase will affect the competitiveness of its products, which may affect our profitability.	Long term	loss in revenue	<ul style="list-style-type: none"> <li>✓ Optimize the portfolio of digital products and services</li> <li>✓ Provide supply chain service to multiple brands and expand business scale</li> <li>✓ Improve the overall supply chain flexibility</li> </ul>
<b>Climate warming</b>	Increasing use of electricity or water	Increased use of electricity or water due to climate warming may result in increased operating costs	Long term	Increasing costs	<ul style="list-style-type: none"> <li>✓ Regular maintenance of equipment to maintain optimal performance</li> <li>✓ Evaluate the investment in energy conservation and renewable energy</li> <li>✓ Replace equipment to improve energy efficiency</li> </ul>






## Potential Opportunities

Aspect	Issue	Description of potential opportunities	Expected impact time frame	Potential financial impact	Practical strategies
<b>Distribution management</b>	Continuous to improve the ERP system and to digitalize the operation process for distribution	<p>GHG emission of delivery has been regarded as the largest portion of Synnex</p> <ul style="list-style-type: none"> <li>2020 overall replacement for Euro5 vehicles</li> <li>2021 Cloud Inventory Platform: Eliminate unnecessary warehousing and delivery among different parties, so that resources and emission plunged dramatically.</li> </ul> <p>Measures above reach the goal of energy conservation and cost-cutting.</p>	Long term	Lowering costs	<ul style="list-style-type: none"> <li>✓ Digital optimization: Cloud Inventory Service mechanism</li> <li>✓ Setting up intelligent logistics for distribution management</li> <li>✓ Regular maintenance for Euro5 vehicles that meet the standards of energy consumption.</li> </ul>
<b>Products and services</b>	Client's increasing demand in low-carbon products and services	<p>In the global trend towards low-carbon transformation, clients are more willing to support products featuring low-carbon and environmental protection.</p> <p>It's Synnex opportunities to enhance revenue and reputation if we satisfy the markets with that kind of products and services.</p>	Short term	Increasing revenue	<ul style="list-style-type: none"> <li>✓ Keep an eye on market demands and risks for low-carbon products and services.</li> <li>✓ Suppliers purchase products featuring low-carbon.</li> <li>✓ Optimizing digital services.</li> </ul>

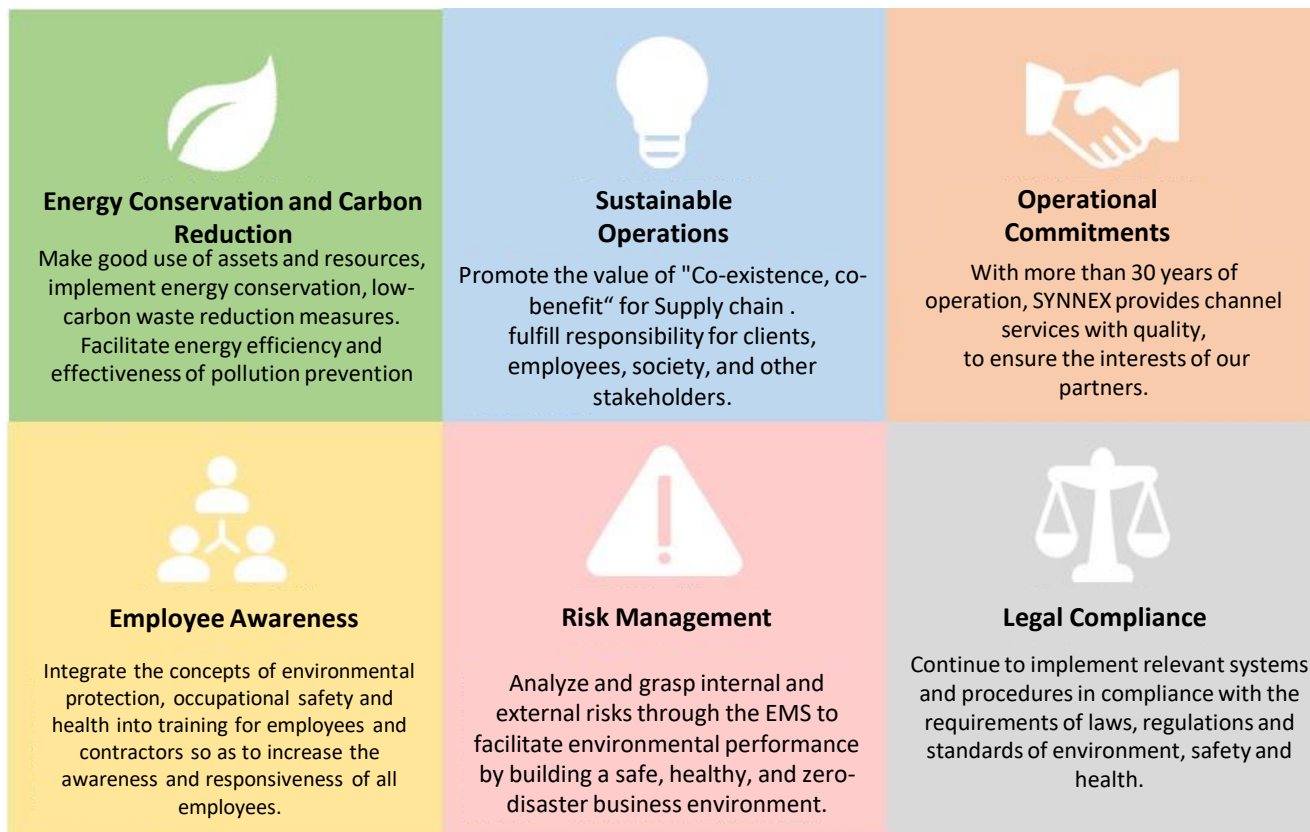
## Material Issues / Climate Change Risks and Opportunities

Sustainable environment statement: low-carbon operation

SYNNEX strives to be a low-carbon company who keep optimizing digital mechanism for its Management Service Platform (MSP) with environmentally-friendly measures to achieve sustainability.

 Policy	<p>SYNNEX's Management Service Platform (MSP) continues to optimize its digital service mechanism as well as operate its own fleet while working with various third parties to maintain a stable supply, especially in the peak season. SYNNEX reviews its pollution emissions regularly to comply with laws and regulations to achieve environmental friendliness:</p> <ul style="list-style-type: none"> <li>• Scope 1- Direct emissions: Continuously reduce pollutant emissions</li> <li>• Scope 2- Indirect emissions: Continuously implement measures on energy conservation and carbon reduction</li> <li>• Scope 3- Other indirect emissions: Under identification and evaluation</li> </ul>
 Goal	<p>Monitoring the operation equipment of the logistics centers with IoT technology, To 2024 compared to base year 2019:</p> <ul style="list-style-type: none"> <li>• Annual reduction of 4.2% in GHG emissions* (in compliance with the SBTi)</li> <li>• Reduction of 3% in water intensity per capita</li> </ul>
 Accountability and Resources	<p>Accountability: Logistics Planning &amp; Management Dept. Resources: All business units</p>
 Action Plan	<p>In response to local environmental regulations, SYNNEX continuously implement comprehensive procurement/maintenance/replacement for deficiencies that can be improved. We also regularly evaluate the climate change impact on the company in order to review and improve the rights and benefits of investors and consumers.</p>
 Evaluation Mechanism of Management Approach	<p>SYNNEX complies with the TCFD framework, with the operation and monitoring from Logistics Quality Management department of the Group Headquarters. Each business obey the decision on local management, requires to review their on-site operation, conduct various improvement to meet the standards, and report to the headquarters on a regular basis. The headquarters also conduct audit randomly to ensure the overall operation procedures and cost effectiveness.</p>

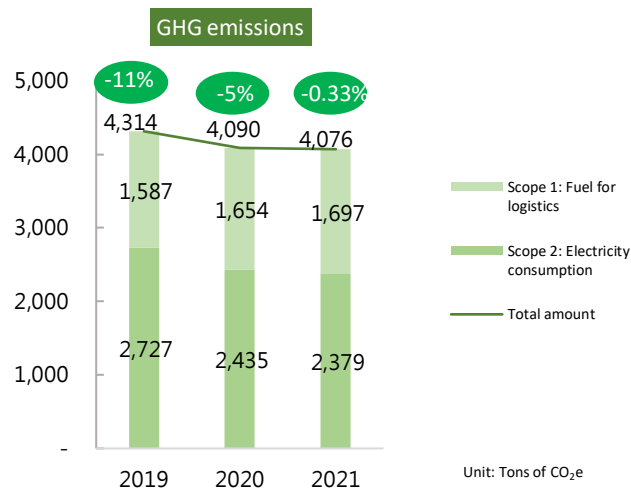
## Environment Management, Occupational Safety and Health Policy





## 4-1

## Greenhouse Gas emissions



## Scope 1: Fuel for logistics

GHG emissions = amount used (L) x GHG emission factor (kg/L) x GWP (including CO<sub>2</sub>, CH<sub>4</sub>, and N<sub>2</sub>O)

## Scope 2: Outsourced electricity

GHG emissions = amount used (kWh) x GHG emission factor (kg/kWh)

[Note] [According to the latest Electricity Carbon Emission Factor announced by the Bureau of Energy: 1 kWh ≒ 0.502 Kg CO<sub>2</sub>e \(2020 factor announced on September 27, 2021\)](#)

[Note] Locations covered: Main location of operations of SYNNEX Taiwan and Synergy (Taipei headquarters, Taipei, Taichung and Kaohsiung logistics centers)

## Source of greenhouse gas emissions

SYNNEX's greenhouse gas emissions (GHG) can be categorized into direct emissions (Scope 1) and indirect emissions (Scope 2). The sources are as follows:

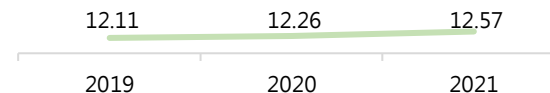
- Direct emissions (Scope 1): Fuel for logistics
- Indirect emissions (Scope 2): Outsourced electricity

The quantification of greenhouse gases in this report was calculated referring to the Electricity Carbon Emission Factor updated and announced by the Bureau of Energy, Ministry of Economic Affairs on September 27, 2021 and the 2014 Fifth Assessment Report of the United Nations Intergovernmental Panel on Climate Change (IPCC) based on the 100-year Global Warming Potentials (GWP), in which all GHG emissions are converted into carbon dioxide equivalent (CO<sub>2</sub>e) using GWP.

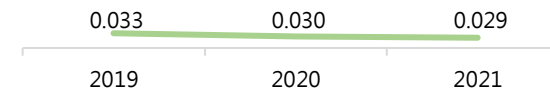
**In 2021, the total greenhouse gas emissions of SYNNEX decreased by 0.33%, approximately 4,076 tons of CO<sub>2</sub>e compared to that in 2020**

With respect to emissions intensity:

- (Scope 1) Fuel for logistics: Increased by 2.5%, from 12.26 tons to 12.57 tons (CO<sub>2</sub>e/ per vehicle)



- (Scope 2) Outsourced electricity: Decreased by 3.3%, from 0.030 tons to 0.029 tons (CO<sub>2</sub>e/floor area (m<sup>2</sup>))



## GHG emissions and Intensity Inspection by Unit

Greenhouse gas emissions from diesel slightly increased by 2.5% due to the continuous growth of business volumes; however, fuel consumption per box and per service both decreased. There was also an increase in total electricity consumption of shipment and a decrease in electricity consumption per box.

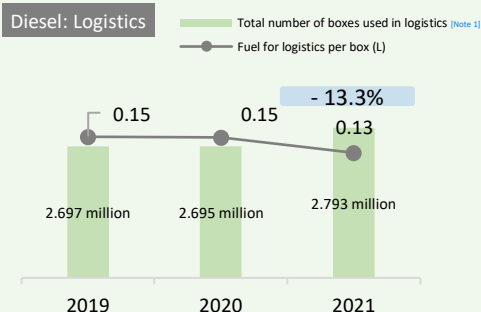
【Plan】 It is expected that the ISO 14064-1:2018 greenhouse gas emissions will be verified in Q4'2022 by third-party. The implementation of verification of each business location depends on the scale of operation.

### Scope 1

- A decrease of 13.3% in logistics fuel consumption per box  
From 0.15 to 0.13(L)

Scope of business covered: Logistics store distribution, small home appliances distribution  
Energy conservation measures: Digital optimization for service mechanism:

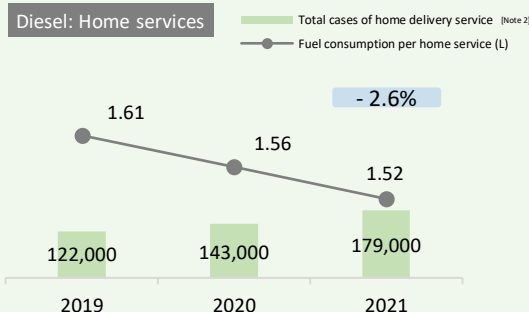
- (1) Optimal inventory allocation and shipment route
- (2) Intelligent dispatch scheduling



- A decrease of 2.6% in average fuel consumption per home service  
From 1.56 to 1.52(L)

Scope of business covered: IoT home appliances home installation and maintenance  
Energy conservation measures: Service platform resource integration

- (1) Technician capacity and technology integration
- (2) Route optimization

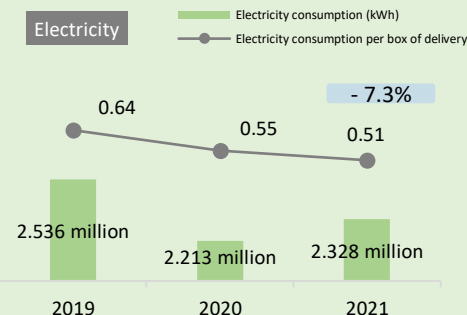


### Scope 2

- A decrease of 7.2% in electricity consumption per box for shipment  
From 0.55 to 0.51(kWh)

Scope of business covered: All warehousing and logistics  
Energy conservation measures: implement measures of various energy conservation to save electricity

- (1) Regular maintenance and replacement of equipment
- (2) Replace with LED energy-saving bulbs and turn off lights during lunch break



[Note 1] Total number of boxes used in logistics: Logistics delivery and store distribution, number of boxes used in home delivery, number of items in small home appliances distribution

[Note 2] Total number of services: Fuel consumption is included in the number of self delivery cases. In response to the increase in the demand for home services, we have worked with outsourced carriers since 2019. The number of outsourced cases accounted for approximately 20% of the total operations

## 4-2 Energy Management

### Energy Consumption within the Organization

SYNNEX's internal energy consumption is mainly non-renewable electricity purchased from power company and the fuel used by the distribution vehicles of our logistics centers. Our Taipei headquarter belongs to commercial office building, which mainly uses electricity for ICT equipment, air-conditioning systems, and lights. As for logistics centers, electricity is used for automated warehousing equipment and lights. Fuel for logistics and distribution vehicles is also the other one.

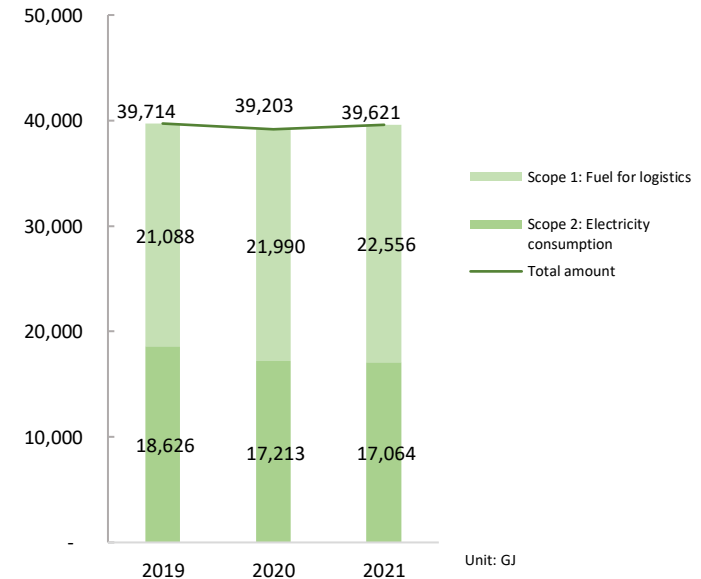
Relevant data sources are from Taiwan Power Company's electricity bills and the refueling records of the distribution vehicles. We also refer to the energy product heating value table released by the Bureau of Energy. Calculations are made from the following formula:

$$\text{Energy consumption} = \text{energy usage} \times \text{heating value} \times \text{conversion unit}$$

Identification results: Total energy consumption increased slightly by 1% to 39,621(GJ) in 2021 compared to that in 2020

【Plan】 It is expected that the ISO140001:2015 environmental management system will be implemented in 2022 and verified by third-party. The system is to examine the five environmental impact factors such as emissions, wastewater, waste, toxic pollutants and noise generated during the operations according to international standards. We're inspecting and managing the project, and regularly review the relevant environmental laws and regulations.

Total energy consumption

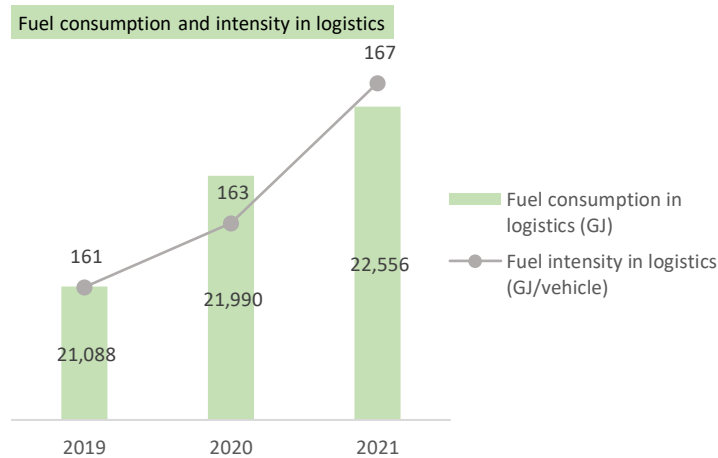


Note: Energy units are converted to "GJ" using the table of energy product unit heating value announced by the Bureau of Energy

### Fuel for logistics

Energy consumption of fuel for logistics increased by 2.5% to 22,556(GJ) in 2021

- Fuel consumption intensity: Slight increase by 2.5% to 167 GJ per vehicle in 2021
- Analysis of causes: The cumulative number of households served increased by 25% year on year due to the increase in efficiency of home services.
- Response strategies: Continuous optimization in system mechanism to improve the energy efficiency of distribution and home services



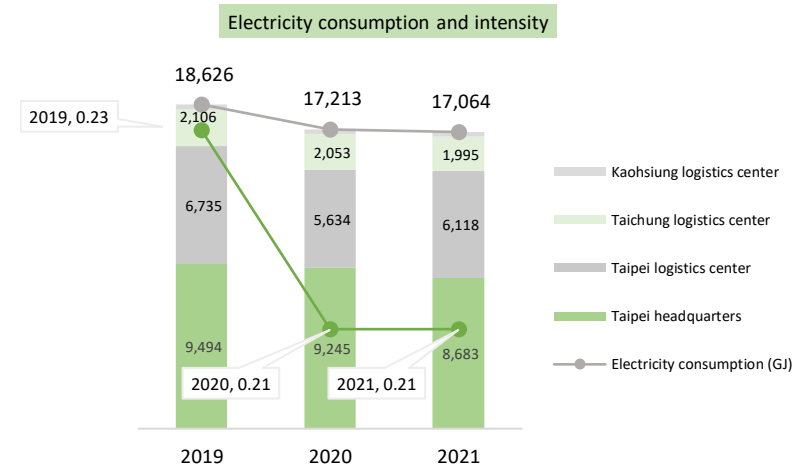
- Fuel consumption (L) in logistics at each location of operations in 2021

Taipei logistics center	Taichung logistics center	Kaohsiung logistics center
358,883	139,631	142,824

### Electricity

Energy consumption of electricity slightly decreased by 0.87% to 17,064(GJ) in 2021

- Electricity consumption intensity: Remained flat in 2021 at 0.21 GJ/m<sup>2</sup>
- Analysis of causes: Replacement with energy efficient lighting, change of power-consuming equipment, and implementation of energy conservation
- Response strategies: implement ISO standards to comprehensively review and improve strategies of energy conservation



- Electricity consumption (kWh) at each location of operations in 2021

Taipei headquarters	Taipei logistics center	Taichung logistics center	Kaohsiung logistics center
2,411,403	1,699,064	554,148	74,400

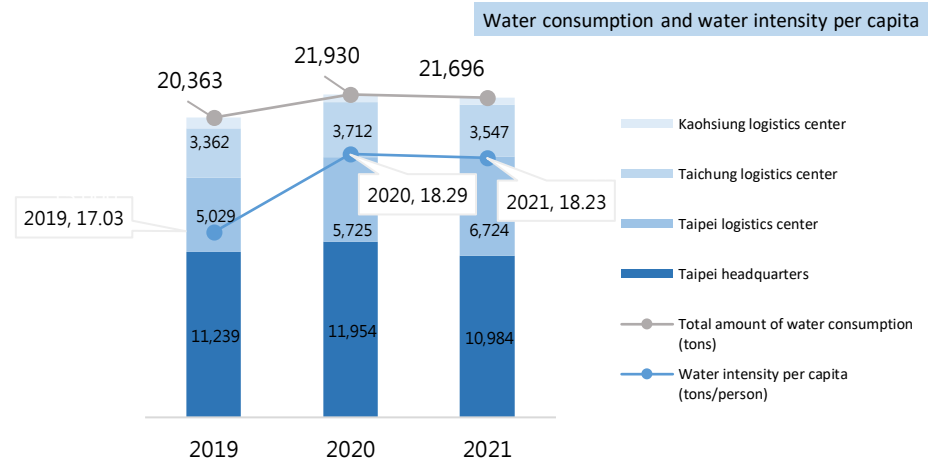
## 4-3 Water Resource Management

Taiwan is located in a sea-island climate zone with abundant rainfall. Its water resources and sanitation system are on a par with those of advanced countries. In recent years, droughts and floods have been aggravated due to abnormal weather conditions. In the spring of 2021, a "100-year drought" occurred in western Taiwan. The Central Emergency Operation Center initiated a "suspension of water supply for two days each week" regarding household water rationing in central Taiwan starting from April 6<sup>th</sup> for two months. The livelihood in southern Taiwan was also affected by the drought, subject to a number of water rationing. During the period, the level 3 pandemic alert was also in effect, affecting the home service of air conditioning maintenance business of Synergy, a subsidiary of SYNNEX, with the orders suspended.

In addition to implementing daily inspections, promoting water-conservation concept, and introducing water-conservation facilities to improve water efficiency, SYNNEX also reviews the water usage in various regions on a regular basis to understand the improvements that can be made in each area.

Overview of water consumption in 2021:

- Water consumption of 21,696 tons, a slight decrease of 1.1% compared to 2020
- Water intensity of 18.23 tons per capita (per year), which remained slightly flat over 2021:
  - Worsening COVID-19 pandemic worldwide since 2020; As the pandemic intensified in 2021, SYNNEX promoted frequent hand washing and other preventive measures to ensure hygiene and health of employees
- The total water consumption in 2021 was at a high level compared to previous years:
  - Severe pandemic outbreak during the summer, extension of air conditioning due to staggering of employee shifts, regular water tower maintenance in the middle of the year, and other sanitary measures resulted in an overall increase in water consumption



Note: Refer to Wikipedia for the 100-year drought in 2021  
<https://reurl.cc/3oe6Q0>

#### 4-4 Waste Reduction

In terms of waste management, SYNNEX not only implements waste classification and resource recycling, but also promotes the use of environmentally friendly tableware and shopping bags to facilitate the concept of waste reduction among employees, and policies such as recycling and reuse of packaging materials to reduce waste. Waste generated in Taipei headquarters is mainly composed of garbage generated by our employees, which can be divided into general waste and waste that should be recycled or reused (Class R). Waste generated in our logistics centers includes the two types of waste mentioned before, plus general industrial waste. The sources include product maintenance waste and auxiliary items.

Overview of total waste generation in the Taipei headquarters and logistics centers (Taipei, Taichung and Kaohsiung) in 2021:

- Compared to 2020: Slightly increased by 2.9% to 140 tons
- Analysis of causes: Increased operations at the logistics centers  
The number of home services grew by 25%, the number of logistics boxes grew by 3.6%, and the total amount of packaging consumables slightly increased

All classes of waste mentioned above have been properly disposed of by qualified disposal firm according to the waste classification. General waste (domestic waste) is transported to incineration plants. General industrial waste (scrapped ICT peripheral products) and waste that should be recycled and reused (Class R) are treated for recycling and reuse.



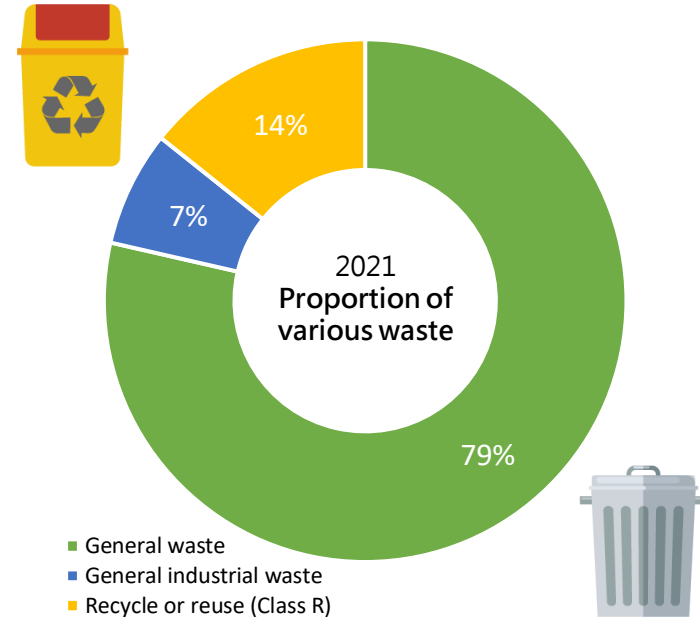
Environmental protection and plastic reduction awareness: Bring your own meal



Implement sorting and recycling



Professional cleaning vendors



Item	Disposal method	2019	2020	2021
General waste	Incineration	104	106	110
General industrial waste	Recycle	13	11	10
Recycle or reuse (Class R)	Recycle	17	19	20
Total	Unit: Tons	134	136	140

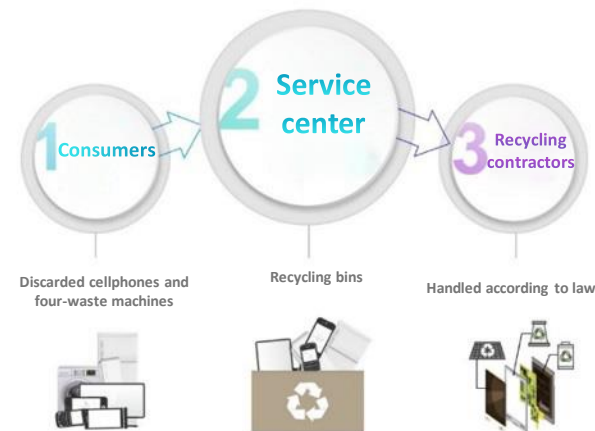
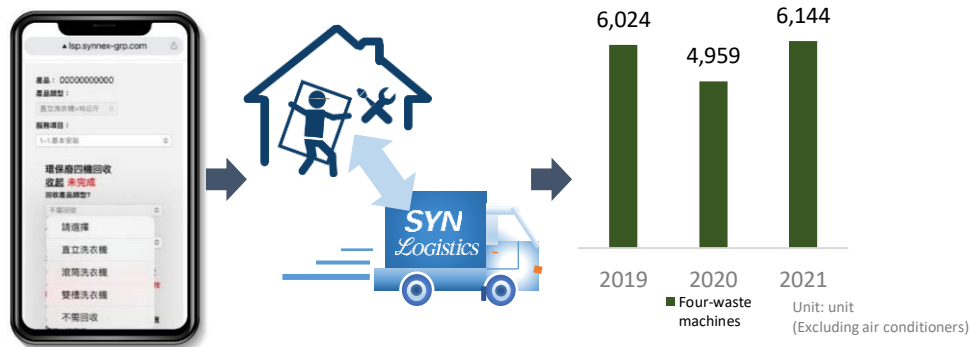
## 4-5 Environmentally Friendly Behavior

### Professional electronic waste recycling

**Recycling of Four-Waste Machines and Appliances:** Total recycling of a record high of 6,144 units in 2021

SYNNEX has been cooperating with the Environmental Protection Administration's "Four-Waste Machines" recycling policy since 2013 by helping consumers recycle old TVs, refrigerators, and washers (demand for recycling of home appliances) when installing home appliances. However, this is an additional service, not waste that is generated by SYNNEX's operations.

With the continued expansion of Synergy's home services, the number of households served has reached 12% of the households in Taiwan. During the installation service reservation, we confirm with the customer about the recycling of old appliances. SYNNEX actively promotes recycling and professional disposal of obsolete appliances through the operations to enhance consumer awareness and to ensure proper disposal of large and old appliances, avoiding environmental hazards at the end of the product's life cycle and sparing no effort in environmental sustainability.

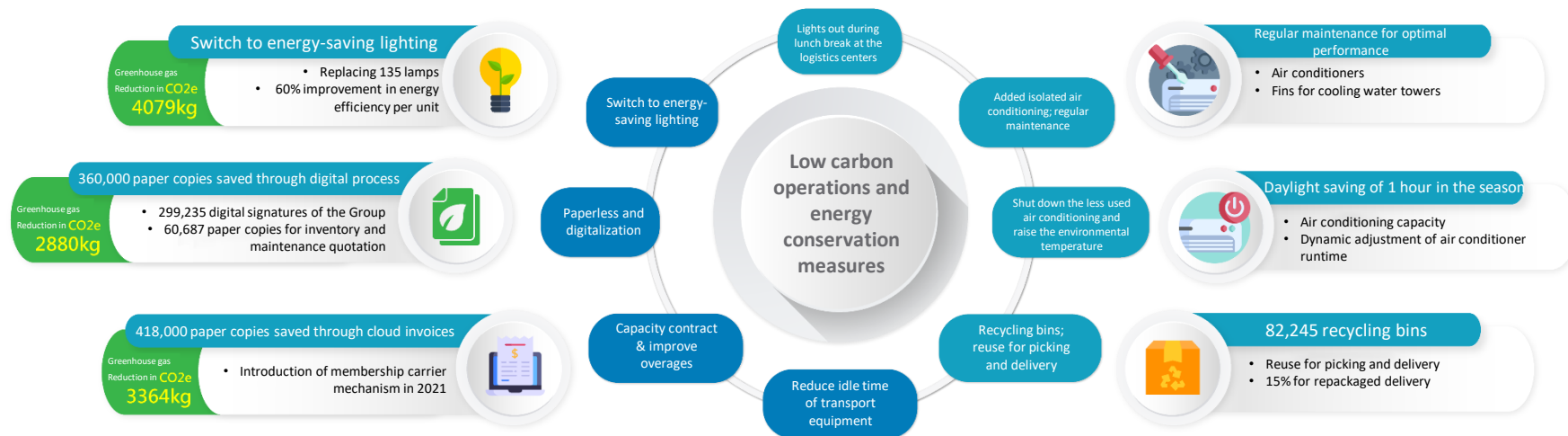


### Repair and maintenance and recycling of consumer electronic waste

13 service centers of Synergy under SYNNEX had a total maintenance capacity of over 146,000 cases in 2021 (please refer to the Service Innovations section). Maintenance is not only a part of after-sales service, but also a way to extend the life of products, avoid overproduction and consumption, and the practice of environmental sustainability.

There are recycling bins for obsolete or used cellphones, electronic products, and batteries at the service centers to facilitate recycling. Each quarter, the Company entrusts professional vendors to handle the recycling according to law. The service centers have established a standard recycling procedure to remind consumers to delete personal information so as to ensure personal data security.

## The green energy project facilitated the reduction of greenhouse gases by approximately 10.3 tons of CO<sub>2</sub>e in 2021



SYNNEX has continued to invest in improving the energy efficiency of its headquarters and logistics centers for many years to reduce the load on the environment, and has established comprehensive energy-saving management and energy efficiency mechanisms in the most energy-intensive logistics centers. In terms of source management, we continue to implement electricity capacity contract, and regularly review the contracted usage and related improvement plans.

In addition, we have installed isolated air conditioners to reduce energy consumption in idle areas, carried out regular maintenance, replaced lighting with energy-saving LED bulbs, and improved equipment power factor, etc. Other electricity conservation measures include improving transportation procedures to reduce the idle time of equipment, shutting down less used air conditioning and raising the environmental temperature, and turning off lighting equipment in unmanned areas, etc.

Note: Carbon reduction is calculated based on the Carbon Footprint Information Platform of the Environmental Protection Administration, Taiwan, with a carbon footprint of 4kg CO<sub>2</sub>e per pack of 500 sheets of A4 paper (Carbon footprint of A4 paper is approximately 8g CO<sub>2</sub>e per sheet)



## Appendix 1 Summary of the information subject to assurance

No.	Information subject to assurance	Applicable basis	Page
1	P.80 The water consumption of SYNNEX's location of operations in Taiwan (Taipei headquarters, Linkou logistics center, Taichung logistics center and Kaohsiung logistics center) in 2021 as shown in the bar chart of "water consumption and water intensity per capita"	According to the water bill of Taiwan Water Corporation for the water consumption in 2021, the aforementioned information covers the annual water consumption data of the Taipei headquarters, Linkou logistics center, Taichung logistics center and Kaohsiung logistics center. If there is a shared area at the location of operations, the fees are shared equally with other tenants.	80
2	P.79 The electricity consumption of SYNNEX's location of operations in Taiwan (Taipei headquarters, Linkou logistics center, Taichung logistics center and Kaohsiung logistics center) as shown in the table of "electricity consumption (kWh) at the location of operations in 2021"	According to the electricity bill of Taiwan Power Company for the electricity consumption in 2021, the aforementioned information covers the annual electricity consumption data of the Taipei headquarters, Linkou logistics center, Taichung logistics center and Kaohsiung logistics center. If there is a shared or other areas at the location of operations, the fees are shared according to the actual meter reading of individual meters on a pro rata basis.	79
3	47% of female employees at the assistant manager level (inclusive) and above by 2021.	According to the information of the personnel system as at December 31, 2021, the percentage of female employees at the assistant manager level (inclusive) and above is calculated by dividing the number of female employees at the assistant manager level (inclusive) and above by the total number of employees at the assistant manager level (inclusive) and above.	50
4	The number of employees applying for interest free loans and the total amount of loans allocated in 2021 are shown in the table of "interest free loans".	According to the cumulative number of employees for the approved application of the interest free loans and the total amount of loans allocated in 2021 as recorded by the human resources department.	63
5	An average satisfaction score of home services reaching 4.8 in 2021.	<p>According to the overall service evaluation results rated by customers (1 to 5 out of 5) from the service questionnaire management system of SYNNEX in 2021, an unweighted average method is adopted to obtain the average satisfaction score of home services.</p> <p>Note 1: The satisfaction score of home services is calculated by the number of service orders. One service order is created for one home service.</p> <p>Note 2: Due to the following reasons, a single service order may be duplicated. In such cases, the latest time for a service is taken into calculation:</p> <ol style="list-style-type: none"> <li>1. There may be multiple results if a customer sends out the questionnaire inadvertently upon completion.</li> <li>2. SYNNEX conducts a return visit for customers who submit unsatisfactory satisfaction results. The customer fills out the questionnaire again after the return visit.</li> </ol>	5

## Appendix 2 ISO27001



## Appendix 3 GRI Sustainability Reporting Standards Content Index

### General Disclosures

Disclosure Number	Disclosure Title	Report Contents or Explanation	Page
102-1	Name of the organization	1-1 About SYNNEX	12
102-2	Activities, brands, products, and services	1-1 About SYNNEX	12
102-3	Location of headquarters	1-1 About SYNNEX	12
102-4	Location of operations	1-1 About SYNNEX	12
102-5	Ownership and legal form	1-1 About SYNNEX	12
102-6	Markets served	1-1 About SYNNEX	12
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102-8	Information on employees and other workers	3-1 Employee diversity and equality	50
102-9	Supply chain	2-2 Supplier Management	44
102-10	Significant changes to the organization and its supply chain	None	-
102-11	Precautionary Principle or approach	1-3 Ethical Corporate Management 、 1.5 Risk management	27 、 29
102-12	External initiatives	Synnex has signed up as a TCFD supporter in Oct. 2021	71
102-13	Membership of associations	Membership of associations	13
102-14	Statement from senior decision-maker	President's message	2-3
102-15	Key impacts, risks, and opportunities	1-5 Risk management	29-32
102-16	Values, principles, standards, and norms of behavior	1-3 Ethical Corporate Management	27
102-17	Mechanisms for advice and concerns about ethics	1-3 Ethical Corporate Management	27

Disclosure Number	Disclosure Title	Report Contents or Explanation	Page
102-18	Governance structure	Corporate Governance 、 Sustainability Committee	21 、 6
102-19	Delegating authority	Corporate Governance 、 Sustainability Committee	21 、 6
102-20	Executive-level responsibility for economic, environmental, and social topics	Corporate Governance 、 Sustainability Committee	21 、 6
102-21	Consulting stakeholders on economic, environmental, and social topics	Materiality Analysis and Stakeholder Engagement	7-9
102-22	Composition of the highest governance body and its committees	Corporate Governance 、 Sustainability Committee	21 、 6
102-23	Chair of the highest governance body	President's message 、 Sustainability Committee	2-3 、 6
102-24	Nominating and selecting the highest governance body	Sustainability Committee	6
102-25	Conflicts of interest	1-2 Corporate Governance	21
102-26	Role of highest governance body in setting purpose, values, and strategy	Sustainability Committee	6
102-27	Collective knowledge of highest governance body	1-2 Corporate Governance	21
102-28	Evaluating the highest governance body's performance	1-2 Corporate Governance	21
102-29	Identifying and managing economic, environmental, and social impacts	Identification of Material Issues	7
102-30	Effectiveness of risk management processes	Identification of Material Issues	7

Disclosure Number	Disclosure Title	Report Contents or Explanation	Page
102-31	Review of economic, environmental, and social topics	Identification of Material Issues	7
102-32	Highest governance body's role in sustainability reporting	Corporate Governance ` Sustainability Committee	21
102-33	Communicating critical concerns	Stakeholder Engagement	8-9
102-34	Nature and total number of critical concerns	Identification of Material Issues	7
102-35	Remuneration policies	Remuneration Committee	24
102-36	Process for determining remuneration	Remuneration Committee	24
102-37	Stakeholders' involvement in remuneration	Stakeholder Engagement	8-9
102-40	List of stakeholder groups	Stakeholder Engagement	8-9
102-41	Collective bargaining agreements	None	-
102-42	Identifying and selecting stakeholders	Identification of Material Issues	7
102-43	Approach to stakeholder engagement	Stakeholder Engagement	8-9
102-44	Key topics and concerns raised	Identification of Material Issues	7
102-45	Entities included in the consolidated financial statements	About the Report	4

Disclosure Number	Disclosure Title	Report Contents or Explanation	Page
102-46	Defining report content and topic Boundaries	About the Report	4
102-47	List of material topics	Identification of Material Issues	7
102-48	Restatements of information	None	-
102-49	Changes in reporting	None	-
102-50	Reporting period	About the Report	4
102-51	Date of most recent report	About the Report	4
102-52	Reporting cycle	About the Report	4
102-53	Contact point for questions regarding the report	About the Report	4
102-54	Claims of reporting in accordance with the GRI Standards	About the Report	4
102-55	GRI content index	Appendix 3 GRI Sustainability Reporting Standards Content Index	86-94
102-56	External assurance	Appendix 1 Summary of the information subject to assurance	84

## Standard Disclosures Part: Topic-specific Standards

Disclosure Number	Disclosure Title	Report Contents or Explanation	Page
★Economic Performance			
103-1	Explanation of the material topic and its Boundary	Material issue : Economic Performance	15
103-2	The management approach and its components	Material issue : Economic Performance	15
103-3	Evaluation of the management approach	Material issue : Economic Performance	15
201-1	Direct economic value generated and distributed	Economic Performance	20
201-3	Defined benefit plan obligations and other retirement plans	3-4 Compensation and Benefits	61-63
★Compliance			
103-1	Explanation of the material topic and its Boundary	Material issue : Legal Compliance	33
103-2	The management approach and its components	Material issue : Legal Compliance	33
103-3	Evaluation of the management approach	Material issue : Legal Compliance	33
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	None	-
307-1	Non-compliance with environmental laws and regulations	None	-
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	None	-
419-1	Non-compliance with laws and regulations in the social and economic area	None	-

Disclosure Number	Disclosure Title	Report Contents or Explanation	Page
★Ethical Corporate Management			
103-1	Explanation of the material topic and its Boundary	Material issue : Ethical Corporate Management	16
103-2	The management approach and its components	Material issue : Ethical Corporate Management	16
103-3	Evaluation of the management approach	Material issue : Ethical Corporate Management	16
205-2	Communication and training about anti-corruption policies and procedures	1-3 Ethical Corporate Management	27
205-3	Confirmed incidents of corruption and actions taken	None	-
Tax			
207-1	Approach to tax	1-4 Tax Management	28
207-2	Tax governance, control, and risk management	1-4 Tax Management	28
207-3	Stakeholder engagement and management of concerns related to tax	1-4 Tax Management	28
★Innovative Services			
103-1	Explanation of the material topic and its Boundary	Material issue : Innovative Services	39
103-2	The management approach and its components	Material issue : Innovative Services	39
103-3	Evaluation of the management approach	Material issue : Innovative Services	39
Procurement Practices			
204-1	Proportion of spending on local suppliers	2-2 Supplier Management	44



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★Climate Change Risks and Opportunities			
103-1	Explanation of the material topic and its Boundary	Material issue : Climate Change Risks and Opportunities	71-74
103-2	The management approach and its components	Material issue : Climate Change Risks and Opportunities	71-74
103-3	Evaluation of the management approach	Material issue : Climate Change Risks and Opportunities	71-74
Energy			
302-1	Energy consumption within the organization	4-2 Energy Management	78-79
302-3	Energy intensity	4-2 Energy Management	78-79
302-4	Reduction of energy consumption	Climate change mitigation and adaptation 、 4.2 Energy Management	78-79
Water			
303-1	Interactions with water as a shared resource	4-2 Water Resource Management	80
303-3	Water withdrawal	4-2 Water Resource Management	80
Biodiversity			
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	None	-
Emissions			
305-1	Direct (Scope 1) GHG emissions	4-1 Greenhouse Gas emissions	76-77
305-2	Energy indirect (Scope 2) GHG emissions	4-1 Greenhouse Gas emissions	76-77
305-4	GHG emissions intensity	4-1 Greenhouse Gas emissions	76-77
305-5	Reduction of GHG emissions	4-1 Greenhouse Gas emissions	76-77
Effluents and Waste			
306-4	Waste diverted from disposal	4-4 Waste Reduction	81
306-5	Waste directed to disposal	4-4 Waste Reduction	81

Disclosure Number	Disclosure Title	Report Contents or Explanation	Page
★Global Market Engagement			
103-1	Explanation of the material topic and its Boundary	Material issue : Global Market Engagement	14
103-2	The management approach and its components	Material issue : Global Market Engagement	14
103-3	Evaluation of the management approach	Material issue : Global Market Engagement	14
★Labor/Management Relations			
103-1	Explanation of the material topic and its Boundary	Material issue : Labor/Management Relations	49
103-2	The management approach and its components	Material issue : Labor/Management Relations	49
103-3	Evaluation of the management approach	Material issue : Labor/Management Relations	49
401-1	New employee hires and employee turnover	2021 Staff composition	52
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	3-4 Compensation and Benefits	61-63
401-3	Parental leave	3-4 Compensation and Benefits	64
402-1	Minimum notice periods regarding operational changes	Human rights-related management mechanisms	51
★Occupational Health and Safety			
403-1	Occupational health and safety management system	3-2 Occupational health and safety	54-57
403-2	Hazard identification, risk assessment, and incident investigation	3-2 Occupational health and safety	54-57

Disclosure Number	Disclosure Title	Report Contents or Explanation	Page
★Customer Privacy			
103-1	Explanation of the material topic and its Boundary	Material issue : Customer Privacy	18
103-2	The management approach and its components	Material issue : Customer Privacy	18
103-3	Evaluation of the management approach	Material issue : Customer Privacy	18
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	None	-
★Human Rights Assessment			
103-1	Explanation of the material topic and its Boundary	Material issue : Human Rights	48
103-2	The management approach and its components	Material issue : Human Rights	48
103-3	Evaluation of the management approach	Material issue : Human Rights	48
Training and Education			
404-1	Average hours of training per year per employee	3-3 Education and Training	59
404-2	Programs for upgrading employee skills and transition assistance programs	3-3 Education and Training	59
404-3	Percentage of employees receiving regular performance and career development reviews	3-3 Education and Training	59
Diversity and Equal Opportunity			
405-1	Diversity of governance bodies and employees	1-2 Corporate Governance 、 2021 Staff composition	22 、 52
Non-discrimination			
406-1	Incidents of discrimination and corrective actions taken	None	-
Marketing and Labeling			
417-1	Requirements for product and service information and labeling	2-2 Supplier Management	44
417-2	Incidents of non-compliance concerning product and service information and labeling	None	-
417-3	Incidents of non-compliance concerning marketing communications	None	-

## Appendix 4 Sustainability Accounting Standards Board (SASB)

### Sustainability Disclosure Topics & Accounting Metrics

TOPIC	ACCOUNTING METRIC	CODE	Corresponding chapters/explanations
Energy Management in Retail & Distribution	Total energy consumed		Total energy consumed : 39,621 (GJ) Detailed in 4-2 Energy Management
	percentage grid electricity	CG-MR-130a.1	100%
	percentage renewable		0%
Product Sourcing, Packaging & Marketing	Revenue from products third-party certified to environmental and/or social sustainability standards	CG-MR-410a.1	Not applicable
	Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products	CG-MR-410a.2	Not applicable
	Discussion of strategies to reduce the environmental impact of packaging	CG-MR-410a.3	Detailed in 4-5 Environmentally Friendly Behavior
Data Security	Description of approach to identifying and addressing data security risks	CG-MR-230a.1	Detailed in 1-7 Information security managem
	Number of data breaches		
	percentage involving personally identifiable information (PII)	CG-MR-230a.2	Detailed in 1-7 Information security managem
	number of customers affected		
Labor Practices	Average hourly wage/percentage of in-store employees earning minimum wage, by region%	CG-MR-310a.1	Synnex is not engaged in the operation of a physical store in the form of mass merchandising or retail.
	Voluntary / Involuntary turnover rate for in-store employees	CG-MR-310a.2	
	Total amount of monetary losses as a result of legal proceedings associated with labor law violations	CG-MR-310a.3	No Labor Law Violation Related Incidents in 2021
Workforce Diversity & Inclusion	Percentage of gender and racial/ethnic group representation for (1) management and (2) all other employees	CG-MR-330a.1	Detailed in 3-1 Employee Diversity and Equality
	Total amount of monetary losses as a result of legal proceedings associated with employment discrimination	CG-MR-330a.2	No employment discrimination-related incidents in 2021

## Activity Metric

ACTIVITY METRIC	CODE	Corresponding chapters/explanations
Number of: (1) retail locations and (2) distribution centers	CG-MR-000.A	Logistics Center:3
Total area of: (1) retail space and (2) distribution centers	CG-MR-000.B	Logistics Center:73,512m2

