SCANSOURCE CULTURE

CORE VALUES ETHICS SUSTAINABILITY DIVERSITY & INCLUSION ENGAGEMENT TRAINING & DEVELOPMENT COMMUNITY
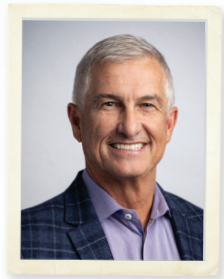
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2021 was a year of growth, resilience and a renewed sense of purpose. If I could choose one core value that represented the past year, it would be "*We encourage innovation and creativity from every employee, in every department.*" 2020 shook the world with a global pandemic generating unprecedented challenges, and 2021 presented an opportunity for us to evaluate those challenges, set strategic goals, and creatively address the ever-changing needs of our valued stakeholders. Our employees throughout our organization are the heart of our business. Their commitment and innovation are the pulse that keeps the Company moving forward. It's how we accelerate the future of technology for our partners.

I am delighted to outline how our Environmental, Social, Governance (ESG) efforts align with our Company's overall strategic plan. Our ESG strategy touches every aspect of our business and the stakeholders we serve, both internally and externally. With the guidance of our cross-functional ESG Task Force, we have taken an even more thoughtful approach to identifying our most important ESG topics and developing our ESG roadmap. We also made a number of key enhancements to our ESG reporting over the last year, including conducting our first ever materiality assessment, disclosing key environmental metrics such as our scope 1 and scope 2 emissions and aligning with the Sustainability Accounting Standards Board (SASB) reporting framework. Our 2021 efforts provide a framework for delivering meaningful reporting and a vision for a sustainable future. I am eager to share what we've accomplished and what we will strive for in years to come.

Michael L. Baur
Chairman and CEO
ScanSource, Inc.

> "Our employees throughout our organization are the heart of our business. Their commitment and innovation are the pulse that keeps the Company moving forward. It's how we accelerate the future of technology for our partners."
>
> **MIKE BAUR,**
> *Chairman and CEO*

ScanSource, Inc. (NASDAQ: SCSC) is a leading hybrid distributor connecting devices to the cloud and accelerating growth for partners across hardware, SaaS, connectivity, and cloud. ScanSource enables partners to deliver solutions for their customers to address changing end-user buying and consumption patterns. ScanSource sells through multiple, specialized routes-to-market with hardware, SaaS, connectivity and cloud services offerings from the world's leading suppliers of point-of-sale (POS), payments, barcode, physical security, unified communications and collaboration, telecom and cloud services. For more information, visit www.scansource.com.

SCANSOURCE CORE VALUES

ScanSource's core values serve as the foundation for who we are and how we operate.

Honesty and Integrity
We believe in honesty and integrity in everything that we do. There is no alternative.

Partners and Suppliers
We highly value our partners and suppliers and are committed to meeting their needs quickly and fairly.

Employees
We believe each employee's opinion counts and deserves respect.

Innovation
We encourage innovation and creativity from every employee, in every department. Mistakes that arise from good intentions and hard work are distinguished from those arising from lack of effort or carelessness.

Respecting and Valuing Diversity
We are committed to an environment that respects and values the diverse backgrounds, interests, and talents of our employees.

Protecting Company Resources
We protect our Company resources to benefit those who depend on us, such as our employees and shareholders.

Community
We are committed to helping those less fortunate in our communities by giving our time, talents, and resources.

OUR PURPOSE

We accelerate the future of technology delivery for our partners, orchestrating connections, reducing complexity, and leading the channel in hybrid distribution.

SCANSOURCE AT-A-GLANCE

NASDAQ **SCSC**

2300+ EMPLOYEES

SUPPLIERS ★ **500** ★

30,000 SALES PARTNERS

$3.15B FY21 NET SALES

FOUNDED **1992**

US • BRAZIL CANADA • UK

HEADQUARTERS **GREENVILLE** **SC**

SELECT AWARDS & RECOGNITION

FORTUNE WORLD'S MOST ADMIRED COMPANIES 2021

BEST PLACES TO WORK in South Carolina 2022

FORTUNE 1000 #655

THE CHANNEL CO. CRN CHANNEL CHIEFS 2021

THE CHANNEL CO. CRN WOMEN of the Channel 2021

Circle of Excellence Cf Channel Futures. Leading Channel Partners Forward

Our guiding principle is that our ESG strategy supports our overall business strategy. Profitable growth and purpose go hand-in-hand as we advance our business and focus on important ESG topics for our key stakeholders, including our employees, sales partners, suppliers, investors, and communities. In 2020, to reinforce our commitment and begin developing an actionable ESG plan, the Company formed an ESG Task Force comprised of a select group of cross-functional team members. This group is tasked with providing guidance, evaluating important ESG initiatives for the Company, and driving progress toward the attainment of our goals. In 2021, we performed our first-ever ESG materiality assessment. This materiality assessment enabled us to identify the ESG topics most important to our business and our stakeholders. In support of this, we began gathering data necessary to understand our environmental impact, advancing our Diversity and Inclusion (D&I) agenda, and developing our ESG roadmap for the future. This year's ESG report includes disclosures developed using foundational parts of the Global Reporting Initiative (GRI) and Sustainability Accounting Standards Board (SASB) frameworks, which are included in the Appendix.

ScanSource's materiality assessment helps us identify ESG topics that are important to our business and stakeholders. The findings from our assessment serve as key inputs as we develop our ESG strategy and disclosures.

ESG MATERIALITY MATRIX

ScanSource's ESG materiality matrix aligns with the Sustainability Accounting Standards Board (SASB) framework, which prioritizes key ESG issues based on our stakeholder communities. Identifying these areas drives our overall ESG strategy and goals.
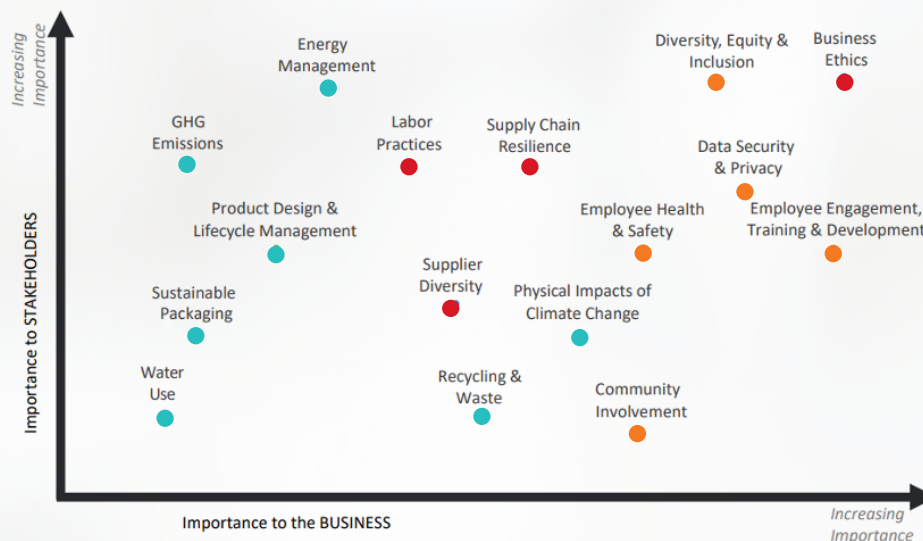
> **"Our guiding principle is that our ESG strategy supports our overall business strategy. Profitable growth and purpose go hand-in-hand as we advance our business and focus on important ESG topics for our key stakeholders."**
>
> **MARY GENTRY**
> *Senior Vice President, Treasurer & Investor Relations, Co-Chair, ESG Task Force*

"We believe in honesty and integrity in everything that we do. There is no alternative." This is ScanSource's foundational core value. We hold ourselves to this value by abiding by ScanSource's code of conduct and other governance policies. The policies are focused on dealing fairly and honestly with all stakeholders, setting high governance and control standards, and protecting the data and security of all employees and partners. ScanSource has an expectation that its partners and suppliers will adhere to its **Business Partner Code of Conduct.**

BUSINESS ETHICS

- **Board Governance**
  ScanSource Board of Directors provides oversight to the CEO and other senior managers in their business conduct, with the goal of building long-term shareholder value. Their leadership and expertise ensure they are well prepared to oversee the health, success, and financial strength of the Company. The Board also provides periodic review of management's performance and the Company's organizational structure, as well as guidance and oversight of corporate strategy and ESG efforts. ScanSource is committed to having a diverse, experienced, and knowledgeable Board to oversee our business. **The Board is comprised of nine directors, of which 22% are female and 11% are racially and ethnically diverse.** ScanSource's **Governance Guidelines** are available on the "Investors" page of our website, scansource.com, under the "Corporate Governance" tab.

- **Code of Conduct**
  ScanSource is committed to upholding the highest level of ethical conduct in all matters. Our continued success is dependent upon our partners' and suppliers' trust, and our team is dedicated to preserving that trust. ScanSource's **Business Ethics and Code of Conduct Policy** sets clear expectations for our executive officers and employees to operate with integrity and make ethical decisions. ScanSource employees regularly confirm compliance with the code. Our internal audit function actively monitors internal compliance with the Business Ethics and Code of Conduct Policy.

  As a multinational company, ScanSource is committed to protecting and promoting human rights throughout our global operations. All employees are expected to treat coworkers, partners, and suppliers with dignity and respect. ScanSource cultivates a diverse and inclusive work environment with equal employment and advancement opportunities for all persons, regardless of race, age, gender, national origin, sexual orientation, or other factors.

- **Risk Management**
  The Board as a whole actively oversees the risk management of ScanSource. Risks – the specific financial, operational, business, and strategic risks that we face, whether internal or external – are identified by the Board and management together, and then each risk is assigned to either the full Board or a Board committee for oversight in accordance with its charter. Certain strategic and business risks, such as those relating to our products, markets

> **"Honesty and integrity drive how we build relationships, conduct business, and support our partners' needs every day. Maintaining that trust is key, allowing sales partners and suppliers to confidently rely on our teams to help them flourish for years to come."**
>
> **JOHN ELDH**
> *President*
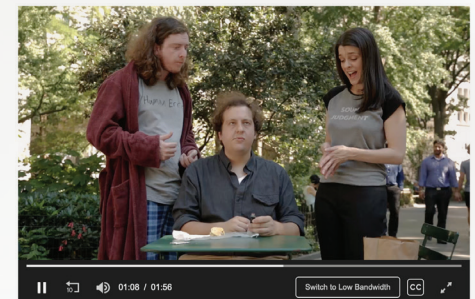
Employees regularly attend cybersecurity training sessions. The often humorous videos ensure a serious subject is communicated in a memorable way.

and capital investments, are overseen by the entire Board. The full Board oversees ScanSource's risk identification, risk assessment and management practices for strategic enterprise risks facing ScanSource. In addition, each of the other committees oversees risks relevant to its scope of review. Management regularly reports to the Board or appropriate committee on actions that we are taking to manage these risks. Our internal audit department conducts independent assessments of department- and enterprise-level processes and controls and is directly involved in reviewing reported or suspected unethical behavior. Our internal audit department reports directly to the Audit Committee, which oversees financial and operational risk.

DATA SECURITY AND CUSTOMER PRIVACY

At ScanSource, we are committed to safeguarding and protecting partner, supplier, employee, and Company data through our cybersecurity measures and controls listed in our ScanSource Security Policy. We have internal and public-facing policies, such as our external **ScanSource Privacy Policy**, that support our data security and customer privacy efforts.

When working with personal and private information, employees must comply with ScanSource's guidelines and procedures in addition to the applicable local privacy laws and regulations. As part of our cybersecurity program, ScanSource employees receive monthly mandatory security training and awareness alerts to ensure responsibilities are understood and practices are followed. Training topics include phishing, ransomware, and current landscape threats.

The Company understands the importance of security and makes every effort to ensure that partner information held in systems and other related areas is fully protected. We recognize that the confidentiality, integrity, and availability of information created, maintained, transmitted, and stored are vital. We constantly assess and improve our security practices that focus on access control, remote access, personnel security, systems and communications protection, media protection, change management, data backup and recovery, logging audit and accountability, vulnerability and patch management, physical security, configuration management, and system and information integrity.

ScanSource follows the Payment Card Industry's Data Security Standard (PCI/DSS). We comply with the European Union General Data Protection Regulation (GDPR), the Brazilian Lei Geral de Proteção de Dados (LGPD), and California's Consumer Privacy Act (CCPA). GDPR is the standard adopted across many countries and states, and our efforts allow us to oversee new regulations that are applicable in areas we conduct business.

The need for rapid response also is important in carrying out our information security initiatives. We have a Cyber Incident Response Team (CIRT) in place to ensure appropriate response to cybersecurity threats or incidents. We have adopted a forward-thinking view on business decisions, including the continual review of relevant risks that may have an impact on information security. The Company's management views this as one of its primary responsibilities and fundamental to business best practices.

HUMAN RIGHTS AND LABOR PRACTICES

ScanSource is committed to the protection of human rights for all individuals. We recognize the inherent dignity and respect that every human should be guaranteed across the globe, and we intend to do business with those that share this mindset. Therefore, ScanSource expects employees, contract and temporary workers, suppliers, and partners throughout our supply chain and regardless of location to respect all rights and freedoms to which each individual is entitled and to follow our **Human Rights Policy.**

Under our Human Rights Policy, ScanSource prohibits human trafficking and the use of child, forced, or slave labor. As an Equal Opportunity Employer, we protect the rights of vulnerable groups around the world, such as women and minority groups. We do not tolerate unlawful discrimination, including but not limited to, discrimination based on gender, gender identity, ethnicity, nationality, race, sexual orientation, disability, or other protected category.

- **Anti-corruption**

  With a global base of more than 500 suppliers and approximately 30,000 sales partners, ScanSource is subject to international trade laws and sanctions. To ensure the Company operates in a legal and professional manner, we comply with all applicable legal requirements, both in the US and abroad, such as the Foreign Corrupt Practices Act (FCPA), export laws, anti-boycott laws, and embargoes/sanctions. ScanSource prohibits all forms of bribery in all our business dealings in every country. Our anti-corruption and international business policies and training enable our employees worldwide to understand how to comply with local and international law.

- **Ethics Hotline**

  ScanSource encourages employees to bring to management's attention any potential unethical or illegal activity or violations of Company policy. ScanSource engages an independent third party to provide a global ethics hotline— available 24 hours a day, seven days a week, in multiple countries and languages—that anyone may use to report such activity anonymously. Both the toll-free numbers and access to our third-party website are displayed on the Company's public website, **Hotline Reporting**, and in each physical location of the Company. ScanSource takes all reports seriously and does not tolerate retaliation against any employee for reporting a concern or potential violation of ScanSource policy or applicable law. The ScanSource Board of Directors reviews reports of hotline communications.

- **Ethical Sourcing**

  ScanSource markets more than 100,000 products from approximately 500 hardware, software, and services suppliers. We expect our suppliers to operate responsibly in the areas of human rights, health and safety, the environment, and business ethics. ScanSource provides products manufactured by other companies and does not directly purchase any conflict minerals from any source. We support the objectives of the Dodd-Frank Act to identify, reduce, and eliminate the use of conflict minerals. This includes expecting our suppliers to make a commitment to promote conflict-free sourcing of metals and proactive elimination of conflict minerals from products.

ESG Task Force

ScanSource has an ESG Task Force consisting of cross-functional team members from **Legal, Human Resources, Operations, IT Security, Finance, Investor Relations** and **Corporate Communications.** This group is tasked with providing guidance, evaluating important ESG initiatives for the Company, and driving progress toward the attainment of our goals.

SUPPLY CHAIN RESILIENCE

We are committed to building a supply chain that is focused on shared values and sustainability. ScanSource's continued success is built on being a values-driven company, which is understood by all members of the ScanSource team. Therefore, our **Business Partner Code of Conduct** requires that our suppliers and partners throughout the supply chain are dedicated to the values of corporate social responsibility, fairness, and ethics.

- **Business Continuity Plan**
  ScanSource has developed a comprehensive Business Continuity of Operations (BCO) plan, which documents the detailed processes and procedures to be followed for specific incidents that may cause a disruption in the business or affect the safety and security of ScanSource's employees or partners. The following customized plans are included in the BCO plan to allow for a rapid, effective response with a focus on minimizing or preventing disruption:

  - The **ScanSource Information Security Incident Response Plan**, which provides a consistent framework for ScanSource to respond to a security event. This plan is designed to (a) prevent or minimize disruption of critical information systems; (b) minimize loss or theft of sensitive or critical information; and (c) quickly and efficiently remediate and recover from security events.

  - The **Physical and Humanitarian Response Plan**, which outlines the necessary steps to take in the event of a physical disaster at ScanSource headquarters. This plan is aimed at ensuring the protection and safety of employees, continuity of business, security of the buildings, and appropriate and timely communications to key stakeholders.

  - The **IT Infrastructure Incident Plan**, which provides a framework for responding to and resolving incidents impacting critical infrastructure at ScanSource headquarters.

  - The **Employee Medical or Safety Emergency Plan**, which outlines the appropriate safety and security protocols to follow should an emergency or safety issue arise at ScanSource headquarters.

- **Quality-Management System**
  ScanSource has a quality-management system in place to continuously improve processes and maintain best-quality practices. Since 1998, ScanSource has applied a quality-management system under ISO9001:2015 for its primary US distribution center and for relevant departments at its headquarters.

ISO 9001 2015 CERTIFIED
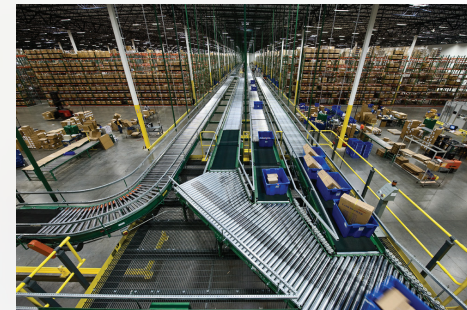
Respecting and protecting our people is our highest priority. From ensuring and supporting an inclusive and diverse workforce and providing a safe, healthy work environment, we are dedicated to doing what is right for our employees. ScanSource's workforce diversity and inclusion representation as of 12/31/21 is available in the SASB index table.

DIVERSITY, EQUITY, AND INCLUSION

In 2020, we reaffirmed ScanSource's commitment to diversity and inclusion with the creation of a comprehensive Diversity & Inclusion (D&I) program, the appointment of Ken Peterson as our first Chief Diversity Officer (CDO), and the creation of a D&I Advisory Council. The Council is an employee-led group focused on sharing insights, ideas, and opinions from our employee base to assist in the implementation of our D&I plan. To support our goal of becoming a more inclusive workplace, our D&I strategic plan focuses on awareness and education, workforce representation, partner diversity, and community relations. In 2021, we made great strides in these areas and continue to set forth plans for 2022 and beyond.

- ■ Awareness and Education
  - Launched a monthly internal D&I newsletter to consistently communicate relevant D&I information, such as Advisory Council updates, Employee Resource Group news and events, employee personal stories, partner support, community relations, and educational resources.

  - Offered new D&I educational opportunities to employees:
    - Celebrated various cultural milestones during the year.

    - Our D&I book and movie club serves as a platform that allows employees to discuss relevant issues openly. With six sessions held annually, employees have an opportunity to explore an array of topics while connecting with employees across the business.

  - We introduced a four-part series of learning modules focused on unconscious bias in the workplace. Employees can gain a better understanding of how bias is formed, how it can be identified, and actions they can take after it is recognized, knowing it can impact hiring and development. This voluntary offering for all employees will be followed by mandatory training on this topic expected to be completed by all people leaders in 2022.

  - Introduction of Employee Resource Groups: Employee Resource Groups were launched in 2021. To date, the two focus areas are women and mental health. The vision of our Women in the Workforce ERG, is to enable and drive opportunities for women and men to connect through peer-to-peer engagement, professional development, and open and inclusive dialogue around pertinent topics. This group has been well-received and held engaging sessions in 2021 focused on personal and professional development. Topics ranged from how individuals have grown amid a pandemic to obstacles and challenges women have faced as they navigated their careers. We are currently forming a mental health ERG. The mission will be to increase awareness and destigmatize mental

> "One of our core values is to promote an environment that respects and values the diverse backgrounds, interests, and talents of our employees. These words guide our strategic DEI plan and ultimate goal of becoming a more inclusive workplace. I am thrilled to see our progress in all facets of our business and how employees have taken initiative to advance our efforts."
>
> **KEN PETERSON**
> *Senior Director,*
> *Human Resources and*
> *Chief Diversity Officer*

health challenges by providing resources, information, events, as well as direction on where to find group or individual counseling when desired. Employees leading this effort are excited and engaged as they recognize the importance of focusing on the emotional and mental health needs of employees in support of addressing all aspects of employee wellness organizationally.

- **Workforce Representation**
  - We conducted a review of our workforce recruitment strategies and interviewing tactics, which led to the introduction of a more open and inclusive talent selection approach.
  - We continue to build on new recruitment relationships with a focus on diversity, including a renewed focus on historically black colleges and universities ("HBCUs") and two-year colleges.
  - Looking ahead, we will review workforce metrics, determine areas of opportunity and establish goals. We aim to make intentional efforts to improve diverse representation at all levels of the organization.

- **Community Relations**
  - **Diversity Leaders Initiative (DLI) at The Riley Institute at Furman University**—Since 2014, a number of ScanSource leaders have participated in DLI – a unique, highly interactive, multi-award-winning program. Participants learn to understand their diversity and inclusion "blind spots" and how to suspend their assumptions. They come away with better-focused decision-making skills and a deeper knowledge of how to effectively manage and lead increasingly diverse workers and clients. DLI graduates become Riley Fellows – members of a powerful, cross-sectored, statewide network. Riley Fellows are diverse but are united in their commitment to South Carolina's progress. They gather at their statewide event, One South Carolina®, to examine issues critical to SC and how to drive positive change.
  - **Greenville Chamber of Commerce Diversity and Inclusion Summit**—ScanSource is proud to be a founding sponsor of this Diversity and Inclusion Summit. This annual conference educates attendees about the impactful role of diversity, equity and inclusion. The speakers challenge attendees to move beyond comfort zones and encourage them to take real action in their workplaces and communities. Summit attendees enrich their lives and their businesses through this unique opportunity to hone their skills as authentic, intentional leaders of diversity, equity, and inclusion.
  - **International African American Museum (IAAM)**— Located in Charleston, SC, the IAAM will be a place that commemorates and celebrates the foundational role that Africans and their descendants played in the making of America. As one of the IAAM's key technology solutions advisors and investors, ScanSource worked with the museum staff to provide expertise and lend support during the planning, designing, and building stages of the facility—slated to open in 2022. ScanSource is honored to support the IAAM as it showcases this rich

history and culture. The technology-centric museum will engage visitors with interactive multimedia learning experiences—while outreach and programming opportunities will extend its lessons to benefit local and regional communities.

A more complete list of our D&I community efforts can be found in our **Giving Back to the Community** section.

EMPLOYEE RELATIONS AND ENGAGEMENT

In order to maintain and enhance employee satisfaction and retention, having an open line of communication and gathering employee feedback have been of great importance with the success of our flexible work environment. We administered employee engagement surveys and conducted focus group sessions, which provided participants an opportunity to share their feedback and help the organization improve. In addition to these broad actions, many leaders found creative approaches to connect with their teams throughout the year. Virtual games, wine tastings, and cooking classes are just a few of the fun ways managers kept their employees engaged. In 2021, ScanSource was also named one of the Best Places to Work in South Carolina for the seventh consecutive year.

Employee outreach and engagement remain critical to the continued success and growth of ScanSource. Inclusion, participation and appreciation are key components in retaining talent, maintaining our culture, and keeping employees engaged. We created a global engagement team focused on developing strategies and sharing ideas to support and enrich our company culture across all regions. We have embraced the flexible working environment by planning monthly/quarterly virtual and in-person events and engagement opportunities for employees.

A few successful global events were:

Earth Week—We celebrated Earth Day with environment-focused activities, such as sustainable challenges, charitable giving opportunities, and eco-friendly educational resources.

ScanSource Unplugged—A summer concert series showcased the musical talents of our global employees.

Holiday Happenings—A week in December dedicated to festive virtual experiences, contests, and concerts hosted by our global offices.

EMPLOYEE HEALTH AND SAFETY

■ **Wellness**

We care about our employees' overall well-being and encourage them to live a healthy lifestyle, both physically and mentally. That's why ScanSource offers dedicated resources to help foster a work/life balance. With a flexible remote workforce, it is critical that we continue to focus on our employees' health. We continue to enhance our **360you program**, which provides employees with extensive education and training/coaching opportunities, wellness and

fitness challenges, screenings, and other valuable resources.

The ongoing COVID-19 global pandemic continues to present unique challenges, and we have prioritized the health and safety of our employees and business partners. In 2020, we implemented a work-from-home policy that kept our employees' health at the forefront. In 2021, we introduced a flexible working environment that fuses remote work and in-person engagement opportunities in accordance with applicable government and health laws and regulations. We continue to take measures to ensure our teams feel secure in their jobs with the flexibility and resources they need to stay safe and healthy.

To help **combat the spread of COVID-19**, we partnered with South Carolina DHEC and Rapid Reliable Testing (RRT) to provide free COVID-19 testing to our employees and the public at our Greenville office. We have also provided COVID-19 testing kits for other office and warehouse locations as needed.

Employees across the US have access to a registered dietitian, personal health coaching, and virtual fitness classes. In Greenville, SC, a private walking trail promotes the benefits of exercising outside in nature.

ScanSource's enhanced **wellness portal** allows employees to quickly connect and engage with each other while competing in various fitness and wellness challenges. The portal also offers hundreds of on-demand courses relating to exercise, meditation, healthy eating/cooking and more.

At ScanSource, our employees' mental health is of great importance. Providing helpful resources and creating safe spaces for employees to learn how to cope with and manage life's everyday challenges is critical to a happy and healthy workforce. We offer virtual guidance with trained professionals through **First Stop Health**, where employees can create personalized plans to assist with mental health. In addition, we provide employees access to a virtual on-demand library called **YouTurn**, which is full of resources to help cope with anxiety, depression, stress, and other mental health challenges. ScanSource also offers an **Employee Assistance Program (HeritageCARES)**, which provides unlimited, 24/7 assistance and in-person guidance.

Lastly, we want to help our employees succeed—both professionally and personally—and we understand that financial decisions play a big role in everyone's lives. We partner with **Tuition.io** to provide employees access to knowledge and tools to help manage or plan for student loan debt. To expand our financial wellness offerings, we offer workshops and webinars focused on student debt and general debt-counseling services.

■ **Workplace safety**

• Safety is a high priority at ScanSource. To assist in providing a safe and healthy work environment for employees and all visitors, ScanSource has stringent workplace safety standards in place. Employees are expected to adhere to these standards and all applicable safety, health, and
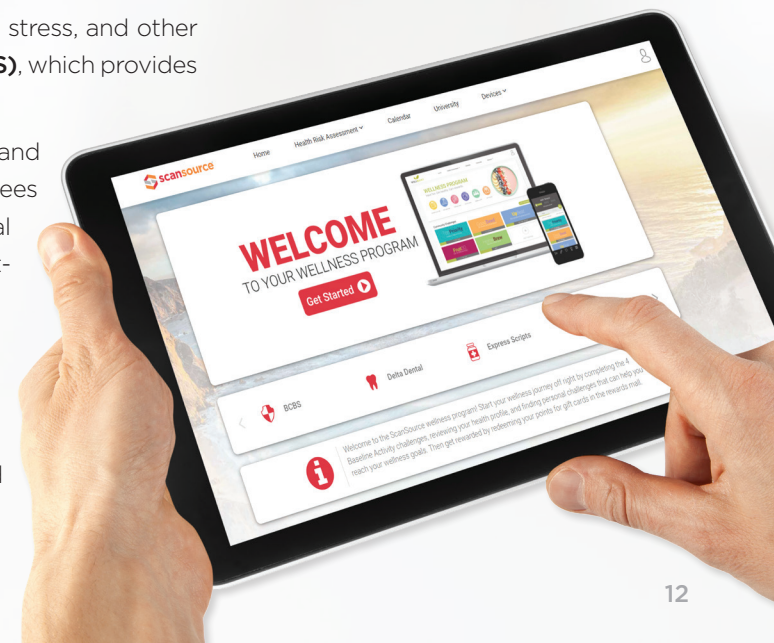
environmental rules and regulations. ScanSource has a **communications management system** for safety and emergency preparedness. The system keeps employees up to date on important, time-sensitive situations, such as severe weather or emergency alarms, with notifications via phone, email, and text. We train employees on health and safety procedures on a regular basis and have voluntary employee representatives on-site for safety and emergency preparedness.

• Our **global distribution facilities** were deemed essential businesses at the beginning of COVID-19. To create the safest workplace possible, while following CDC guidelines, we added precautions to ensure our distribution teams work in the safest environments possible. We stressed the importance of wearing masks, physical distancing, and increased sanitation efforts. With our associates' well-being top of mind, we continue to take the necessary steps to maintain a level of safety, security, and cleanliness at all facilities.

EMPLOYEE TRAINING AND DEVELOPMENT

ScanSource focuses heavily on the intellectual and professional development of our employees, and we strive to create an immersive working environment for them. We enhanced our learning management system, **The Hub,** to deliver a modernized and engaging user experience for our global employees at all levels of the organization. While this provides a tool for an individual's education and growth, it also nurtures cross-functional collaboration with colleagues through a unique social capability.

Department-based onboarding and skills-development programs prepare employees to be successful in their roles. Additionally, employees are given the opportunity to participate in an individual assessment and coaching program designed to produce a personalized, professional-development plan to guide their careers in years to come.

As employees advance into management, their development needs change. **ScanSource Management Academy (SMA)** provides an opportunity for new managers to build a strong foundation of management and leadership skills. Every six months, a new cohort of recently hired or promoted ScanSource managers from across North America embark on this rigorous nine-month development journey. Participants can expect a mixture of on-demand online learning, live virtual experiences, and one-on-one projects with other learners.

The **ScanSource Leadership Institute (SLI)** is another important program that focuses on identifying and helping to develop the next wave of senior leaders for the Company. The SLI program brings together twelve hand-selected leaders from ScanSource's global offices for a two-week program of intensive training and development—with many sessions led by current senior executives. An integral part of the program is working on team projects, culminating in team presentations to the senior leadership team.

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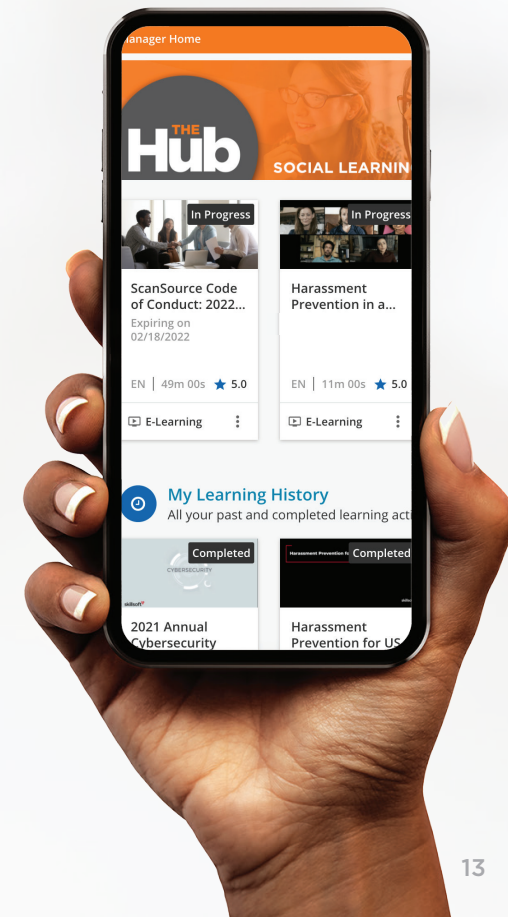
The Company also offers employees **continuing-education opportunities**, such as partial tuition reimbursement or monetary support toward degree and certification programs and professional accreditations.

To prepare the next generation of young professionals, our recruiting team works closely with several universities on a highly selective, development-focused, **summer internship program**. Many participants return to ScanSource for full-time opportunities following graduation.

GIVING BACK TO THE COMMUNITY

ScanSource's desire to give back to the communities in which our global employees live and work began shortly after our founding in 1992. Since then, ScanSource has invested nearly $20 million in communities across the world. These funds are focused on community enrichment, education, environment, leadership development, recruiting, welfare of children, and workforce development. We are overwhelmed by our employees' dedication to giving back. In 2021, we contributed approximately $0.7 million to communities in which our offices are located—along with an immeasurable amount of caring.

ScanSource seeks out and responds to nonprofits around the globe that will benefit from the assistance of our committed volunteers and our funding. In 2021, the ScanSource Charitable Foundation selected its first-ever strategic spotlight partner, **Mill Village Ministries**. This partnership will enable us to make an even bigger impact in the community, while providing more opportunities for employee engagement and volunteerism over a three-year time span.

Our charitable efforts come full circle and play an important role in our employees' social and emotional wellness by empowering them to give their time, talents, and/or resources to important causes in their communities.

D&I COMMUNITY EFFORTS

From a diversity and inclusion perspective, ScanSource expanded its reach externally to create a more meaningful impact in our local communities. Some tangible examples of where we aligned our D&I efforts with our communities' needs were:

- Employees donated more than 4,800 lbs. of household items and clothing to **Miracle Hill** in honor of the Juneteenth holiday to provide Miracle Hill Thrift Store gift cards to Greenville Technical College students in need.

- Partnering with the local nonprofit, **GirlUp GVL**, to bring 12 middle and high school underserved girls to ScanSource and provide them with education around internship and employment readiness.

- Expanding on our partnership with **Charleston, SC's International African American Museum** to provide educational resources and opportunities to our employees leading up to the opening of the museum in late 2022.

- Providing mentorship opportunities and financial aid to **Greenville Technical College's African American Male Scholars** initiative.

- Financially supporting **Anderson University's "I AM" Mentorship** program, which provides guidance and support to underrepresented students.

ScanSource holds great value in not only providing education and awareness to our employees around our diversity and inclusion efforts but also serving them with tangible ways they can give back to their local communities in alignment with these efforts.

scansource®

COMMUNITY IMPACT

~$700K donated to our communities

60+ nonprofits supported through financial donations/volunteers/drives

AREAS OF FOCUS

- **COMMUNITY**
- **EDUCATION**
- **ENVIRONMENT**
- **WELFARE OF CHILDREN**
- **WORKFORCE DEVELOPMENT**

A Night at the North Pole

DUNBAR CHILD DEVELOPMENT CENTER NIGHT AT THE NORTH POLE

220+ gifts donated

102 Families **AND** **218** Children **SERVED**

20+ employee volunteers

460 meals given to families

POS PORTAL
a scansource company

$15K raised for fire relief

300 winter kits distributed to homeless

250 TOYS collected from annual drive

300 TOYS DONATED for holidays

PRISMA HEALTH Children's Hospital

27 Hospital staff adopted for **Child Life Month**

16,500 diapers donated

100 Halloween goodie bags assembled

VILLAGE LAUNCH / VILLAGE WRENCH / VILLAGE ENGAGE

MILL VILLAGE MINISTRIES

$100,000 DONATED to promote individual life change and transform under-resourced communities

intY
a scansource company

30 DAY #MoveforMind challenge

£1050 Raised for **Bristol Mind Charity**

BRAZIL

67 LAPTOPS DONATED to Hospital dos Trabalhadores

R$ 240K DONATED to essential food pantries, "Treino na Laje"

Period PROJECT

400 period packs assembled by **30 volunteers**

150+ products donated

INTELISYS
a scansource company

$3700 DONATED to CTE Foundation's **Community WISE** Sonoma, CA

Community WISE

DONATIONS EDUCATED

23 STUDENTS through hands-on, STEM-related activities

ScanSource is committed to being a good steward of the environment, conserving natural resources, and reducing, reusing, and recycling where possible. We calculated our Scope 1 and 2 greenhouse gas (GHG) emission for the first time to help understand our environmental impact in order to set a reduction target. Our goal is to preserve the Earth and its resources for future generations. We strive for continued improvement in processes, programs, and communication to reach this objective. ScanSource adheres to an **Environmental Stewardship Policy** that is focused on reducing our footprint, promoting awareness and responsibility, and continually evaluating progress for positive change each year.

AWARENESS AND ACTION

Each year in April, ScanSource plans an Earth Week event that demonstrates our support for environmental protection, while also educating and engaging our employees. Activities center on environmental sustainability, community service projects, and giving our time and resources to local charitable partners. In 2021, we expanded our efforts globally and provided a week full of virtual opportunities, including:

- **Community Clean-ups**—Partnered with Upstate Forever to advance Earth Day's Great Global Cleanup, a worldwide campaign to remove billions of pieces of trash from neighborhoods and wildlife areas. Employees took part by reducing waste and plastic pollution in their own communities.

- **Sustainable Education**—Provided educational information on topics like food waste, sourcing, and sustainable eating. Employees submitted photos of their sustainable recipes.

- **Wellness Day**—Employees took a break during their workday to walk or workout in nature. Provided resources to highlight how nature can boost your overall health.

- **Take-Action Day**—Provided helpful tips to make your home more eco-friendly, and employees shared what green action they took that day.

- **Donations**—Employees donated to global nonprofits in North America, Brazil, and the UK: SOS Amazonia, SOS Pantanal, "Ação Bicho Vivo"/ "Action Live Animal", Avon Wildlife Trust, American River Parkway Foundation, Sonoma County Parks, Friends of the Petaluma River, Forest Unlimited, Trees Upstate - Shade the Rabbit, Upstate Forever.

In addition to our employee awareness initiatives, we look for opportunities in our community to support sustainable efforts, such as downtown **Greenville's Unity Park**, slated to open in Spring of 2022. The park will consist of 60 acres of recreational land including a 0.5 mile streambank stabilization on the Reedy River. City engineers are using green infrastructure management techniques to control stormwater and reduce flooding in the area. ScanSource's contribution will be dedicated specifically to the Lila Mae Brock plaza, which honors Brock's legacy of fighting poverty, crime, and neglect in Greenville, specifically Southernside. Brock pushed for a community center and affordable apartments for the area's senior citizens. We are privileged to contribute to the remembrance and celebration of this influential woman in our community.

unity park

GHG EMISSIONS

We calculated our Scope 1 and Scope 2 GHG emissions for the first time and commit to reviewing our emissions in subsequent years. As a distributor of technology and not a manufacturer, ScanSource is not an emissions-intensive business. However, we believe we must do our part to reduce global GHG emissions and have taken the first step to understand our environmental impact with an eye towards understanding our roadmap to reducing our emissions in the future. Given our operations, a majority of our emissions likely come from our supply chain, also called Scope 3 emissions. We are undertaking the process of understanding the most likely sources of our GHG emissions in the supply chain and will report on our progress over time.

For 2020, in MTCO2e	Scope 1	Scope 2	Total - Scope 1 and 2
GHG Emissions	182	3,472	3,654

ENERGY MANAGEMENT

ScanSource is focused on reducing our energy consumption across our global footprint. In addition to recycling light bulbs, we have implemented an initiative to replace fluorescent lighting with longer-lasting LED lighting to conserve energy, reduce light-bulb waste, and improve the lighting within our facilities. Approximately 25% of the lighting in our corporate headquarters currently is comprised of LED lighting. To increase overall efficiency, we have replaced nearly 95% of our least-efficient lighting fixtures with more efficient ones. We also utilize computerized, energy-efficient heating and air systems within our facilities. Our HVAC system in our Southaven, MS facility uses Air-Rotations/ Air Turnover units, which are a very efficient solution for evenly conditioning this large space. Air-Rotation users see a 30% savings versus traditional HVAC options. Each year, we conduct an energy audit to ensure we are actively optimizing our energy consumption. ScanSource uses occupancy sensors in many of its buildings to automatically turn off lights and adjust the heating and air systems when areas are not in use.

RECYCLING & WASTE

ScanSource continues to educate and engage our employees and suppliers to help us determine the best ways to move toward zero waste.

For example, at our Greenville, SC headquarters, our waste partner helped us implement a recycling program. Prior to COVID-19 and our flexible working environment, we reduced our waste output at our Greenville office by approximately 50% through recycling almost five tons of material each month—material previously buried in a landfill. Our flexible work environment has significantly reduced our onsite waste from averaging 40 cubic yards of waste per week to 16 cubic yards per week. The waste that we can't recycle is sent to a local landfill where the methane is captured and converted into renewable energy sources that supply the local power grid. This process powers more than 1,800 Upstate SC homes and significantly reduces greenhouse gas emissions in the community.

Our Southaven, MS facility works with a local waste partner on its recycling efforts. According to that partner, nearly 85% of waste goes to recyclers and only 15% goes to a landfill.

Our business waste-management practices include recycling the following items at our primary US distribution center:

- Cardboard
- Metal scrap
- Wood pallets
- Stretch film
- Lamps and ballasts
- Electronic waste

Other recycled items and materials throughout ScanSource's global offices include:
- Desk-side recycle bins that accept paper, cardboard, plastic, and aluminum
- Battery-recycling and cellphone donation bins located on our Greenville, SC campus
- Light bulbs (~1,400 bulbs recycled per year)
- E-waste (~14,000 lbs. recycled per year)
- Printer cartridges/toners
- Donations of unused promotional items, furniture, and office equipment to nonprofit organizations, such as Goodwill, Habitat for Humanity, The Humane Society, Miracle Hill, and The Salvation Army

WATER STEWARDSHIP

As a distributor of technology and not a manufacturer, ScanSource is not a major consumer of water. ScanSource has put measures in place to help conserve or reduce water usage. For example, at our Greenville facilities, 90% of our faucets, toilets, sinks, etc., have motion-sensitive hardware to auto flush or turn the sinks on and off, which helps to reduce the amount of water waste. We also perform regular maintenance on our backflow systems, building sprinklers, and grounds sprinklers to help eliminate surprise bursts or phantom leaks.

SUSTAINABLE PACKAGING

As part of ScanSource's commitment to minimize its environmental impact, we partner with our suppliers to identify opportunities to use more eco-friendly materials and eliminate all unnecessary packaging . Recyclable boxes and packaging materials are used at our distribution centers. We continually explore new ways to improve our packaging materials to eliminate unnecessary packaging, while reducing the risk of damage to the contents. At our primary US distribution center, we have implemented a dimensional, weight-reduction process focused on reducing package fill content, which also helps lower freight expenses.

Environmental, Social, Governance (ESG) Report Index

The following index provides insights into the key initiatives driving our Company's continued growth and commitment to our valued stakeholders. The index was developed to assist stakeholders in finding key information related to our material ESG topics. This index makes reference to the Global Reporting Initiative's (GRI) Standards. Although we reference the GRI Standards to provide context to our report, our report has not been prepared in accordance with the GRI standards.

GRI REFERENCE	GRI REFERENCE		REFERENCE OR DATA POINTS
GRI 102 - GENERAL DISCLOSURES (Organizational Profile)			
102-1	General Disclosures	Name of the organization	ScanSource, Inc.
102-2	General Disclosures	Activities, brands, products, services	About ScanSource, ESG Report, page 3
102-3	General Disclosures	Location of headquarters	Greenville, South Carolina
102-4	General Disclosures	Location of operations	Office space and warehouses in the United States, Brazil, the United Kingdom, and Canada
102-5	General Disclosures	Ownership and legal form	Legal corporation (Inc.)
102-6	General Disclosures	Markets served	FY21 Annual Report on Form 10-K, Offerings and Markets, page 4
102-7	General Disclosures	Scale of the organization	About ScanSource, ESG Report, page 3
102-8	General Disclosures	Information on employees and other workers	Employees & Culture, ESG Report, page 9
102-9	General Disclosures	Supply chain	FY21 Annual Report on Form 10-K, Suppliers, page 3
102-10	General Disclosures	Significant changes to the organization and its supply chain	FY21 Annual Report on Form 10-K, Recent Developments, page 24
102-11	General Disclosures	Precautionary Principle or approach	Risk Management, ESG Report, page 5
102-12	General Disclosures	External initiatives	Giving Back to the Community, ESG Report, page 14
102-13	General Disclosures	Membership of associations	No disclosure currently present
GRI 102 - GENERAL DISCLOSURES (Strategy)			
102-14	General Disclosures	Statement from senior decision-maker	Message from Chairman and CEO, ESG Report, page 2
102-15	General Disclosures	Key impacts, risks and opportunities	Risk Management, ESG Report, page 5
GRI 102 - GENERAL DISCLOSURES (Ethics and Integrity)			
102-16	General Disclosures	Values, principles, standards, and norms of behavior	ScanSource Core Values, ESG Report, page 3
102-17	General Disclosures	Mechanisms for advice and concerns about ethics	Business Ethics Code of Conduct, ESG Report, page 5 Ethics Hotline, ESG Report, page 7
GRI 102 - GENERAL DISCLOSURES (Governance)			
102-18	General Disclosures	Governance structure	Ethics & Governance, ESG Report, page 5
102-19	General Disclosures	Delegating authority	Ethics & Governance, ESG Report, page 5
102-20	General Disclosures	Executive-level responsibility for economic, environmental, and social topics	Environmental, Social & Corporate Governance, 2022 Proxy Statement, page 13
102-21	General Disclosures	Consulting stakeholders on economic, environmental and social topics	Stakeholder Engagement & ESG Strategy, ESG report, page 4
102-22	General Disclosures	Composition of the highest governance body and its committees	Board of Directors, 2022 Proxy Statement, page 5 Committees of the Board, 2022 Proxy Statement, page 9

GRI REFERENCE	GRI REFERENCE		REFERENCE OR DATA POINTS
GRI 102 - GENERAL DISCLOSURES (Governance) *con't*			
102-23	General Disclosures	Chair of the highest governance body	**Board of Directors, 2022 Proxy Statement, page 5**
102-24	General Disclosures	Nominating and selecting the highest governance body	**Nominating & Corporate Governance Committee, 2022 Proxy Statement, page 9**
102-25	General Disclosures	Conflicts of interest	**Code of Conduct, ESG Report, page 5**
102-26	General Disclosures	Role of highest governance body in setting purpose, values, and strategy	**Corporate Governance Guidelines, 2022 Proxy Statement, page 6**
102-27	General Disclosures	Collective knowledge of highest governance body	**Corporate Governance Guidelines, 2022 Proxy Statement, page 6**
102-28	General Disclosures	Evaluating the highest governance body's performance	**Corporate Governance Guidelines, 2022 Proxy Statement, page 6**
102-29	General Disclosures	Identifying and managing economic, environmental, and social impacts	**Board's Role in Risk Oversight, 2022 Proxy Statement, page 5**
102-30	General Disclosures	Effectiveness of risk management processes	No disclosure currently present
GRI 102 - GENERAL DISCLOSURES (Reporting Practice)			
102-45	General Disclosures	Entities included in the consolidated financial statements	**FY21 Annual Report on Form 10-K, Schedule of Subsidiaries, Exhibit 21.1**
102-46	General Disclosures	Defining report content and topic boundaries	**Stakeholder Engagement & ESG Strategy, ESG report, page 4**
102-47	General Disclosures	List of material topics	**ESG Materiality Matrix, ESG Report, page 4**
102-48	General Disclosures	Restatements of information	Not applicable
102-49	General Disclosures	Changes in reporting	Not applicable
102-50	General Disclosures	Reporting period	Fiscal year ended June 30, 2021
102-51	General Disclosures	Date of most recent report	Fiscal year ended June 30, 2021
102-52	General Disclosures	Reporting cycle	Annual
102-53	General Disclosures	Contact point for questions regarding the report	**investor@scansource.com**
102-54	General Disclosures	Claims of reporting in accordance with GRI standards	This report is prepared in close alignment with the Global Reporting Initiative's (GRI) Standards but does not claim to be in full accordance with the GRI Standards.
102-55	General Disclosures	GRI content index	This document
102-56	General Disclosures	External assurance	Advisor statement: No disclosure currently present

Sustainability Accounting Standards Board (SASB) Index

Our report is aligned with the Sustainability Accounting Standards Board (SASB) framework and demonstrates our commitment to providing disclosure of priority environmental, social, and governance (ESG) topics for our business. Our disclosure maps to the "Multiline and Specialty Retailers & Distributors" SASB standards, which SASB identifies as our primary industry. The table includes references to where this information can be found in our ESG report or in other public documents. The information provided is as of December 2021 unless otherwise noted.

CODE	ACCOUNTING METRIC	SCANSOURCE DISCLOSURE/REFERENCE
ENERGY MANAGEMENT IN RETAIL & DISTRIBUTION		
SASB CG-MR-130a.1	Total energy consumed	For 2020, ScanSource consumed 34,306 gigajoules (GJ) of electricity. In 2020, our buildings' energy consumption was significantly decreased from reduced physical occupancy due to the COVID-19 pandemic. Approximately 59% of the electricity consumed was at ScanSource's North American distribution operations located in Southaven, Mississippi.
SASB CG-MR-130a.1	Percentage of grid electricity	ScanSource does not disclose this information.
SASB CG-MR-130a.1	Percentage of renewables	ScanSource does not disclose this information.
DATA SECURITY		
SASB CG-MR- 230a.1	Description of approach to identifying and addressing data security risks	At ScanSource, we are committed to safeguarding and protecting partner, supplier, employee, and Company data through our cybersecurity measures and controls listed in our Security Policy. We have internal and public-facing policies, such as our external Privacy Policy, that support our data security and customer privacy efforts.
		Information security and cybersecurity are critical components of our risk management program and are vital to maintaining our proprietary information and the trust of our customers and employees. Our information security program includes policies and procedures, prevention and detection mechanisms, incident response, business continuity planning and employee compliance and security awareness training. We also engage with third-party information security experts to access our defense mechanisms and have a cyber risk insurance policy in place that provides coverage for security incident response expenses, certain losses due to network security failures, investigation expenses, privacy liability and certain third-party liability.
		The Company understands the importance of security and makes every effort to ensure that partner information held in systems and other related areas is fully protected. We recognize that the confidentiality, integrity, and availability of information created, maintained, transmitted, and stored are vital. We constantly assess and improve our security practices that focus on access control, remote access, personnel security, systems and communications protection, media protection, change management, data backup and recovery, logging audit and accountability, vulnerability and patch management, physical security, configuration management, and system and information integrity.
SASB CG-MR- 230a.2	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of customers affected	We are not aware of having experienced any material information security breaches in the past three years.
LABOR PRACTICES		
SASB CG-MR-310a.1	(1) Average hourly wage and (2) percentage of in-store employees earning minimum wage by region	ScanSource provides competitive hourly wages at our distribution centers and related business operations in the United States. (1) ScanSource employed 237 distribution center and 119 corporate hourly employees, and the average hourly wage for such U.S. employees was $21.10. (2) 100% of all hourly employee in the U.S. earned above the minimum wage.
SASB CG-MR-310a.2	(1) voluntary and (2) involuntary turnover rate for in-store employees	ScanSource does not disclose this information.

CODE	ACCOUNTING METRIC	SCANSOURCE DISCLOSURE/REFERENCE
LABOR PRACTICES *con't*		
SASB CG-MR-310a.3	Total amount of monetary losses as a result of legal proceedings associated with labor law violations	ScanSource does not disclose this information.
WORKFORCE DIVERSITY AND INCLUSION		

SASB CG-MR-330a.1 — Percentage of gender and racial/ethnic group representation for (1) management and (2) all other employees

Gender Representation (U.S. only) (as of 12/31/21)

	Female	Male	N/A
Management	43%	57%	--
All Other Employees	53%	47%	--

Racial/Ethnic Group Representation (U.S. only) (as of 12/31/21)

	Asian	Black or African American	Hispanic or Latino	White	Other	N/A
Management	1%	12%	5%	79%	3%	
All Other Employees	4%	21%	7%	65%	3%	--

Employees by Region (as of 12/31/21)

% located in U.S.	63%
% located in Brazil	32%
% located in U.K.	4%
% located in Canada	1%

SASB CG-MR-330a.2 — Total amount of monetary losses as a result of legal proceedings associated with employment discrimination. — ScanSource does not disclose this information.

CODE	ACCOUNTING METRIC	SCANSOURCE DISCLOSURE/REFERENCE
PRODUCT DESIGN AND LIFECYCLE MANAGEMENT		
SASB CG-MR-410a.1	Revenue from products third-party certified to environmental and/or social sustainability standards	ScanSource does not track that information at this time. We do not sell our own products.
SASB CG-MR-410a.2	Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products	ScanSource has policies and procedures in place with regard to transporting products that contain lithium batteries. Examples of this includes labeling the relevant product packaging and taking steps to prevent these products from being transported via aircraft.
SASB CG-MR-410a.3	Discussion of strategies to reduce the environmental impact of packaging.	ScanSource minimizes waste by capitalizing on opportunities to reduce, reuse, and recycle. We seek opportunities to use packaging materials and products that contain recycled content and are also biodegradable. Where possible, we optimize our warehouse processes to minimize unnecessary packaging and ship products in suppliers' packaging.

For SASB CG-MR-410a.3, continued:

Examples of our warehouse policies and procedures at our primary U.S. distribution center include:

- We have implemented a dimensional, weight-reduction process focused on reducing package void fill content.
- Our operational systems utilize an algorithm to guide operators to select the optimal shipping box for a shipment.
- We have implemented a paperless picking system which decreases single-use sheets of paper in our operations.
- We maintain a 90% landfill waste diversion rate which is a critical component of our recycling program.
- We have expanded reuse of the cardboard we receive from our vendors. In addition to cardboard, we have processes in place to recycle other materials, such as pallets, paper, glass, plastic, aluminum, and food waste.

These initiatives have the collective effect of minimizing the amount of our packing and waste that eventually gets deposited into landfills. We are continually exploring new ways to improve our packaging materials to eliminate unnecessary packaging while reducing the risk of damage to the contents.