

2022

# ***Environmental, Social, Governance*** Report

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**ScanSource**<sup>®</sup>

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## MESSAGE FROM OUR CHAIRMAN AND CEO

**December 2022 marked the 30th anniversary of ScanSource’s founding.** For three decades, we have celebrated successes, overcome challenges, and adapted to changes that we never could have foreseen in 1992. Our people and our culture have enabled our business success by building strong, lasting relationships with our customers and suppliers.

Our ESG materiality matrix, which appears on page four of this report, shows what’s most important to our stakeholders and to our business. These ESG topics reflect ScanSource’s commitment to serving the communities in which we operate and to striving for a better world and workplace for our people. In 2022, we reordered our priorities, and the order of the 2022 ESG report, to emphasize our people and our communities. At ScanSource, in keeping with our ESG materiality matrix, we set priorities as “SGE”—Social, Governance, Environment.

We took important steps in 2022 to keep our people and our culture front and center. In 2022, ScanSource changed the name of our Human Resources department to “People and Culture.” Though global challenges have arisen over the last two years, our people have remained committed to ScanSource, while continuing to execute for our customers and suppliers. Our people’s resilience, collaboration, and understanding of innovation from every angle are what make ScanSource an incredible place to work. I am proud that we have created a vibrant and caring workplace that reaches out into the community.

Our core values are not mere words on a page. They are guiding principles that we consult daily to remind us how we want to conduct business, give back to our communities, and work to improve the future of our planet. **This ESG report describes what we have accomplished in our 30th year and ways that our people and our culture are helping us to adapt and prepare for an exciting future.**

“  
**Our core values are not mere words on a page. They are guiding principles that we consult daily to remind us how we want to conduct business, give back to our communities, and work to improve the future of our planet.**  
”

**MIKE BAUR,**  
Chairman and CEO

# ABOUT SCANSOURCE

**ScanSource, Inc. (NASDAQ: SCSC)** is a leading hybrid distributor connecting devices to the cloud and accelerating growth for customers across hardware, SaaS, connectivity, and cloud. ScanSource enables customers to deliver solutions for their end users to address changing 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.](http://www.scansource.com)



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.

## Respecting and Valuing Diversity

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

## 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.

## 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.

## 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.



## PURPOSE

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



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# STAKEHOLDER ENGAGEMENT AND ESG STRATEGY

## ESG MATERIALITY ASSESSMENT

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, customers, suppliers, investors, and communities. Our cross-functional **ESG Steering Committee** provides guidance, evaluates important ESG initiatives for the Company, and drives progress toward our goals. In 2021, we performed our first-ever ESG materiality assessment. This materiality assessment identified the ESG topics most important to our business and our stakeholders. In support of this, we gathered data on our environmental impact, advanced our **Diversity, Equity, and Inclusion (DEI)** efforts, and began developing our ESG roadmap for the future. This year's ESG report expands disclosures developed using foundational parts of the **Global Reporting Initiative (GRI)** and **Sustainability Accounting Standards Board (SASB)** frameworks, which are included in the Appendix.

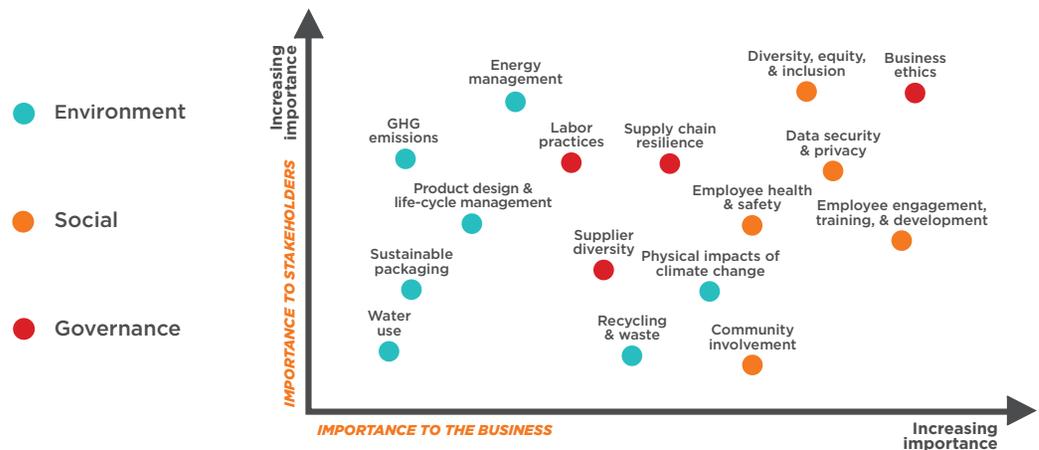
ScanSource's materiality assessment helps us identify ESG topics that are important to our business and stakeholders. The findings from our assessment are key inputs as we develop our ESG strategy and disclosures.

“  
At ScanSource, we are committed to caring for our people, our community, and the world around us. ScanSource knows that good stewardship is also good for our business.”

**MARY GENTRY,**  
Senior Vice President,  
Treasurer and Investor  
Relations; Co-Chair, ESG  
Steering Committee

## 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.



# PEOPLE AND CULTURE

As a people-first organization, respecting and protecting our people are our top priorities. From ensuring and supporting an inclusive and diverse workforce to providing a safe, healthy work environment, we are dedicated to doing what is right for our people. ScanSource's workforce diversity representation as of 12/31/22 is available in the SASB index table.

In 2022, Alex Conde was appointed as Chief People Officer to lead our global People and Culture team and advance ScanSource's talent and recruitment strategies, culture-focused initiatives, and overall people success. This direction will ultimately lead to a more holistic approach to the employee journey, resulting in a strategic shift to better support and empower our teams, both personally and professionally.



## DIVERSITY, EQUITY, AND INCLUSION

In 2020, we reaffirmed ScanSource's commitment to diversity and inclusion with the creation of a comprehensive **Diversity, Equity, and Inclusion (DEI)** program, the appointment of our first Chief Diversity Officer (CDO), and the creation of a DEI 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 DEI plan. To support our goal of becoming a more inclusive

workplace, our DEI strategic plan focuses on awareness and education, workforce representation, partner diversity, and community relations. In 2022, we promoted current initiatives and encouraged additional involvement at all levels of our Company.



■ Offered **educational DEI opportunities** to employees:

- Celebrated various cultural milestones during the year.
- Repositioned our DEI book and movie club as “Diversity Dialogue” to expand employee exposure to more educational mediums, serving 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 team members across the business.
- We introduced unconscious bias training as a requirement for all people leaders to complete in 2022. Through this extensive training, leaders 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. Mandatory unconscious bias training for all employees will take place in 2023. This topic is important and impactful to all levels of the organization.
- Looking ahead in 2023, there are plans to initiate a mentoring program focused on women and people of color and launch a dedicated DEI learning channel via our internal LMS for employees to partake in self-paced learning.

■ We launched **Employee Resource Groups (ERG)** in 2021. To date, the two focus areas in North America are women and mental health. In Brazil, the focus areas are gender equity, race equity, people with disabilities, and LGBTQIA+.

- 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 2022 focused on personal and professional development. Topics included breaking bias, owning your confidence, building your personal brand, and financial metrics that matter.

“  
**Our top priority is respecting and protecting our employees. We strive to achieve this by dedicating ourselves to improving employees’ lives at work and at home, and by ensuring they have opportunities to give back to their communities.**  
”

**ALEX CONDE,**  
*Senior Executive  
Vice President,  
Chief People  
Officer*



- The vision of our **Mental Health Matters (MHM) ERG** is to increase awareness and destigmatize mental health challenges by providing resources, information, and events, as well as direction on where to find group or individual counseling when desired. MHM launched in May 2022 during Mental Health Awareness month, offering employees opportunities to focus on their mental health and raise awareness—including participating in a week of mindfulness, walking for National Alliance on Mental Illness, connecting employees with Employee Assistance Program resources, and encouraging everyone to check in with their peers. Monthly events included how to utilize art therapy to help regulate stress, gathering with friends to discuss pressures around the holidays, a focus on men’s mental health in the form of “No Shame November,” discussions around mental health, journaling sessions, and a walk to eliminate stress during a busy workday.
- The **Gender Equity ERG** focuses on making our work environment more welcoming to people of all genders, promoting initiatives that raise awareness among our employees and enhancing everyone’s journey.
- The **Race Equity ERG** promotes actions that raise awareness about the importance of combating racism and increasing inclusion of people from different racial groups.
- The **People with Disabilities Inclusion ERG** raises awareness and confronts the realities around ableism in the Brazil job market, ultimately aiming to support and attract employees who identify with this group.
- The **LGBTQIA+ Inclusion ERG** focuses on recruitment efforts and ensuring an inclusive and welcoming environment for all who identify with this community.



## Workforce Representation

- We conducted a review of our workforce recruitment strategies and interviewing tactics, which enabled 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. In 2022, we held our first **HBCU Recruitment Summit**, inviting recruitment directors from select HBCUs to listen and better understand how our Company can make connections with their institutions and students. The summit was informative and will help shape how ScanSource approaches engagement and recruitment efforts with HBCUs going forward.
- We will continue to review workforce metrics to determine areas of opportunity and establish goals. We aim to make intentional efforts to improve diverse representation at all levels of the organization.
- A group of DEI council and P&C team members connected with students at Anderson University during a panel discussion focused on “Diversity in the Workplace.”

US employees

**54%** female

**46%** male

**43%** female management

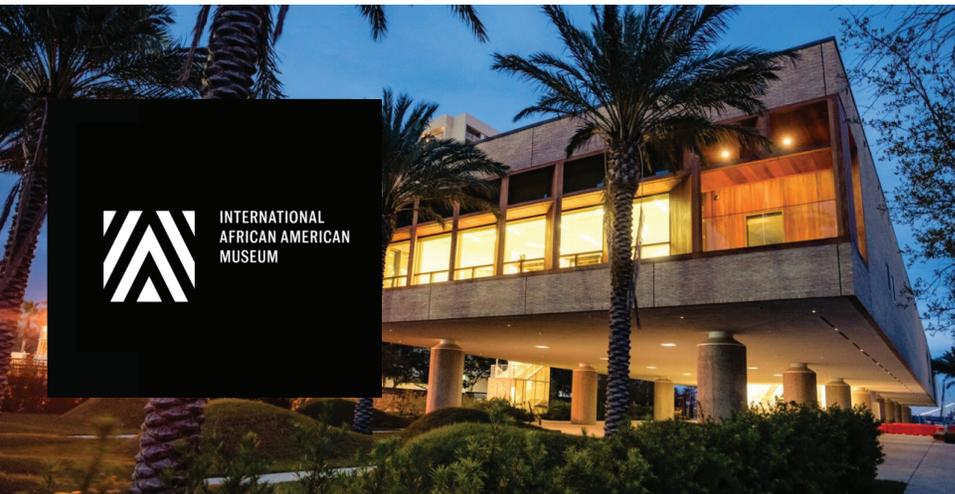
*Note: Management is defined as any person who leads people.*

## Partner Diversity

- Our **Diversity Partner Program** at Intelisys, our technology services distribution business, is designed to identify and support partner businesses owned by **Black, Indigenous, and People of Color (BIPOC)** to contribute to their long-term success. In this program, we offer financial support, networking, and other benefits to support these partners in growing their businesses.
- A focus in 2023 is introducing a sourcing **Diversity Procurement Program** focused on enhancing our utilization of minority and women-owned businesses in our operations.

## 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 and 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 changes.
- **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 is 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 founding donors, ScanSource worked with the museum staff to lend support during the planning of the facility. 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. As our partnership grows, we will continue to provide educational resources and opportunities for our employees.

- **Clemson Men of Color Summit**—Finding ways to connect our community and its youth is important to us. ScanSource is proud to be a multi-year sponsor of Clemson University’s Men of Color Summit. In its sixth year of existence, this event is designed to expose young men of color to positive role models, potential opportunities for educational advancement, and new ways to better understand a broader scope of career options. This sponsorship is another way we are taking a more-targeted approach to our recruitment efforts.”



## 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 to the success of our flexible work environment. We administered employee engagement surveys and conducted focus group sessions, which provided participants opportunities 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, cooking classes, recognition campaigns, and in-person networking/training opportunities are just a few ways managers kept their employees engaged. In 2022, ScanSource was also named one of the **Best Places to Work in South Carolina for the eighth consecutive year.**

In 2023, we introduced **Employee Voices**, a new employee engagement survey module for our North America and UK employees. This quarterly survey provides frequent opportunities to hear the concerns of our employees, similar to the existing **Pulses** survey module in Brazil. The overall goal of these surveys is to build the best environment possible for our employees.



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 productivity-anywhere environment by planning monthly/quarterly virtual and in-person events and engagement opportunities for employees. An impactful, Company-wide initiative is the creation of a new digital workplace, **The Bridge**, as our new corporate intranet. We are excited to enhance global communication, increase employee recognition, and celebrate milestones.

A few successful events were:

- Regional holiday parties and family-friendly summer events to foster in-person connection and celebration of successes.
- Halloween festivities included an office decorating event at ScanSource headquarters, providing a fun and interactive experience for employees' families and global virtual contests that showcase Company culture and creativity.
- 5K/10K race opportunities for employees to represent the Company and promote overall well-being.



## 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.

We prioritize 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 productivity-anywhere environment that fuses remote work and in-person engagement opportunities. 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.

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.

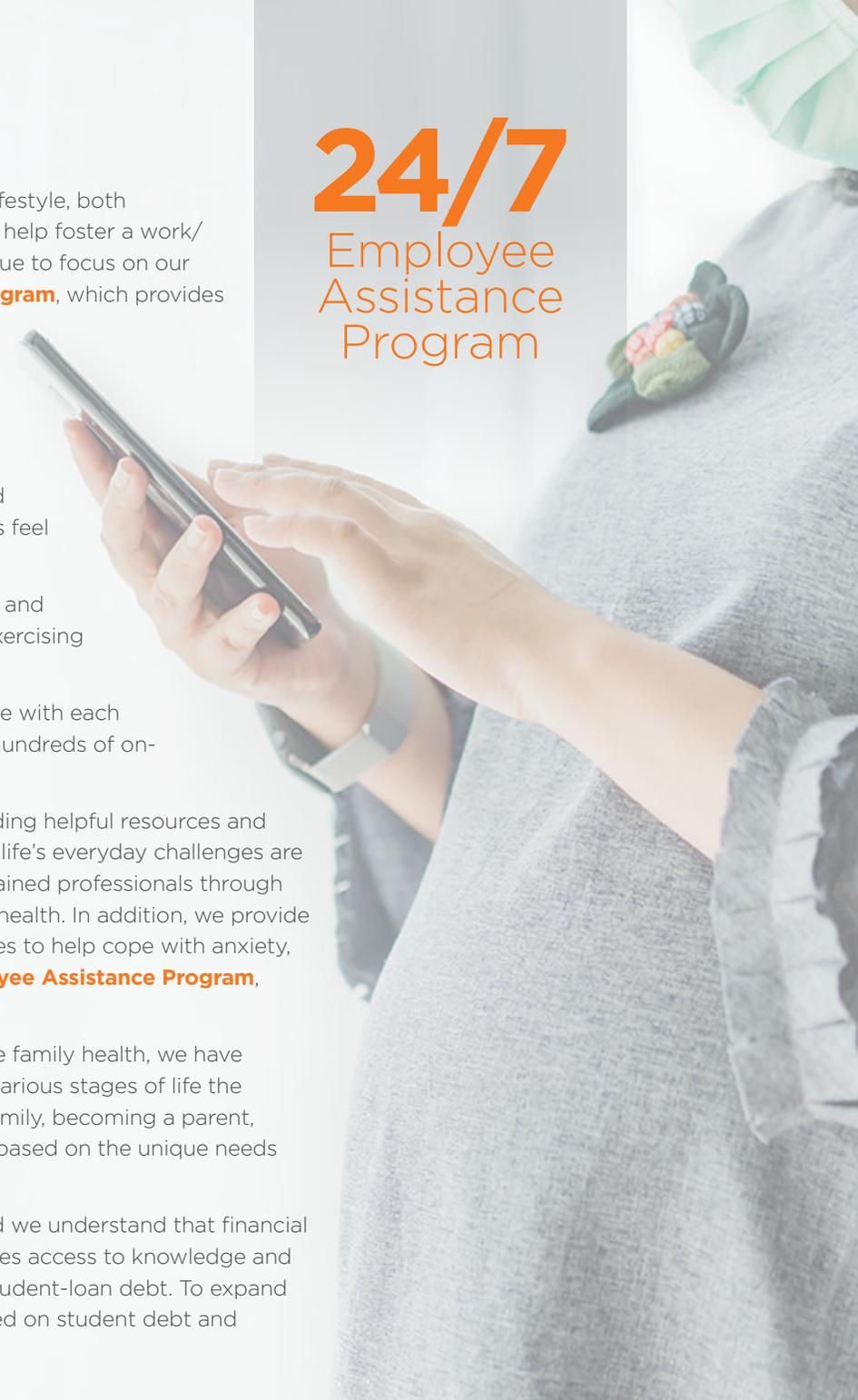
**FH** first stop health At ScanSource, our employees' mental health is of great importance. Providing helpful resources and creating safe spaces for employees to learn how to cope with and manage life's everyday challenges are critical to a happy and healthy workforce. We offer virtual guidance with 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**, which provides unlimited, 24/7 assistance and in-person guidance.

**ovia health** In support of our DEI efforts, and the belief in supporting strong and secure family health, we have partnered with **Ovia Health**. The app-based platform offers employees at various stages of life the support they need to make more informed decisions. Whether starting a family, becoming a parent, dealing with pregnancy, or making another life change, Ovia Health offers daily support based on the unique needs of employees.

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 **Fidelity** to provide employees access to knowledge and tools to help with 401(k) management, plan for retirement, or manage student-loan debt. To expand our financial wellness offerings, we offer workshops and webinars focused on student debt and general financial wellness.



24/7  
Employee  
Assistance  
Program



## Workplace safety

- Our goal is to provide a safe and healthy work environment for every employee 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 primary US distribution center offers a clean, safe, and climate-controlled environment with 24/7 security. We take proactive measures regarding safety protocols and employee training to ensure a safe working environment for all. We aim to continuously improve by receiving safety recommendations and feedback to take corrective and preventative action.

“  
**At ScanSource,  
we encourage  
innovation. That  
mentality is carried  
out in our day-to-day  
operations—from the  
tools we implement  
to the teams we  
empower to create a  
safe and productive  
environment.**

”  
**SCOTT TALLEY,**  
*Vice President,  
Distribution Operations*

- We have implemented a **forklift fleet management and telematics system** with an ISO/IEC 27001:2013 certification to manage and track our growing fleet of equipment. What was once a manual process is now fully automated, allowing access to manufacturer field support, richer performance and diagnostic information, preventative and scheduled maintenance, and specialized access to fork-lift operation. This comprehensive solution enhances both safety and productivity in our day-to-day operations.
- In accordance with OSHA regulations, we require certification, verify work experience, and conduct hands-on training and testing for all fork-lift operators.
- Employees complete **safety training** on an annual basis that focuses on equipment operation, lithium batteries, and overall best practices in a warehouse environment.
- An **employee-led safety committee** with cross-functional representation meets once a month to discuss safety hazards and ways to improve their working environment. This ground-up involvement provides an opportunity for employees at all levels to contribute.

# 0.81

**Total Recordable  
Incident Rate (TRIR)**

ScanSource US Safety  
Performance, 2022



## 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. Our employees took part in 460 unique training offerings, and the average employee spent over 4.8 hours in training courses per year.

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 embarks 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.

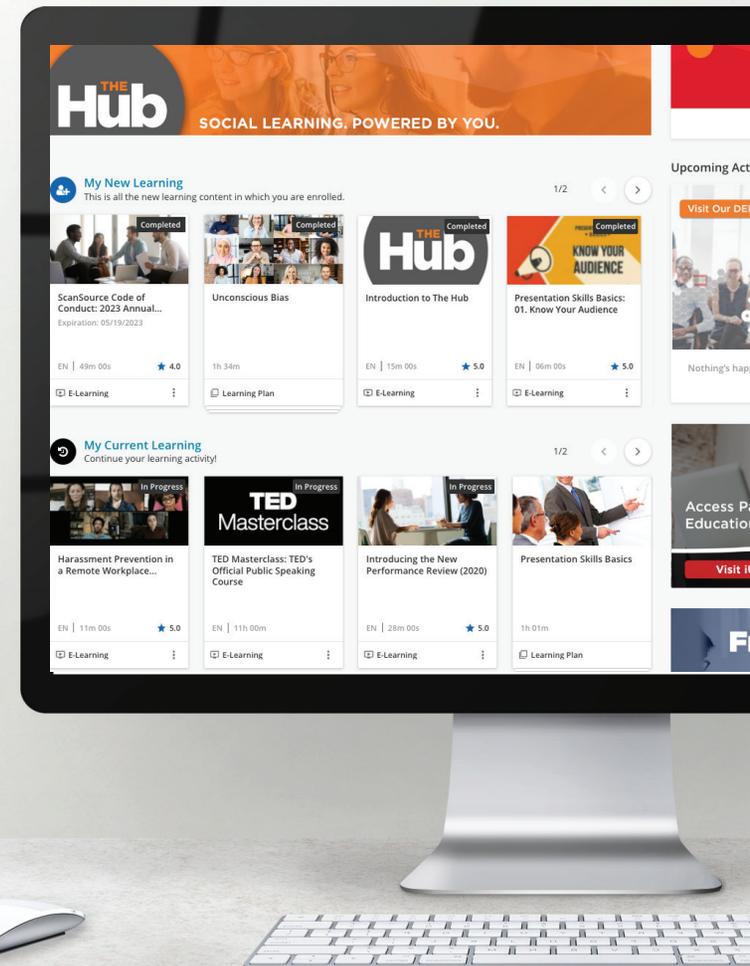


The **ScanSource Leadership Institute (SLI)** is another important program that focuses on identifying and helping to develop the next wave of senior leaders for the Company. The SLI program brings together twelve hand-selected leaders from

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.

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

In 1992, ScanSource founders wanted to find how best to give back to the communities in which our Company conducted business. Shortly thereafter, the **ScanSource Charitable Foundation** was created.

Since then—through both corporate and/or Foundation support—ScanSource has globally invested more than \$20 million in community enrichment, education, the environment, leadership and workforce development, recruiting, and the welfare of children. In addition, our employees have dedicated their time, talents, and resources to the betterment of all. In fact, such donations actually are mentioned in one of our Company's core values, and employees' monetary donations are matched one-hundred percent by the Company. In 2022, ScanSource contributed approximately \$0.7 million to communities in which our offices are located—along with countless volunteer hours and displays of caring.

ScanSource will continue locating and assisting global and local nonprofits it believes will benefit from our committed volunteers and funding. Much of that

Our Foundation's overall **mission** is to help support under-resourced communities by giving annual grants to responsible and effective nonprofit organizations, and to provide our employees with volunteer opportunities in places where their efforts will have the most impact.

work is carried out through the ongoing efforts of the ScanSource Charitable Foundation. Our Foundation's overall mission is to help support under-resourced communities by giving annual grants to responsible and effective nonprofit organizations, and to provide our employees with volunteer opportunities in places where their efforts will have the most impact. In an example of how our Foundation contributes to the community, in 2022, it continued its three-year, strategic partnership with the Greenville, South Carolina-based nonprofit, Mill Village Ministries (MVM). Coordinated by the Foundation board and our Company's People and Culture team, ScanSource executives and employees volunteered side by side during several MVM initiatives—including packing boxes with produce grown by the organization and delivered to neighborhoods that do not have convenient access to fresh, affordable fruits and vegetables. This volunteer opportunity represents only one of the numerous efforts in which our employees participated during the year.

As a company, ScanSource believes that giving—in whatever forms it takes—helps improve our employees' overall well-being, in addition to improving our world. Because of those benefits, and others, we will continue to emphasize generous giving for many years to come.

**\$20M+**  
invested since 1992

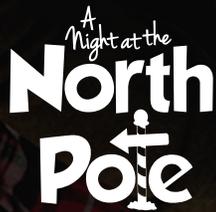
scansource  
charitable foundation



# 2022 SCANSOURCE COMMUNITY IMPACT

Community / Education / Environment / Welfare of Children / Workforce Development

~\$700K donated to our communities / 80+ nonprofits supported



## Dunbar Child Development Center Night at the North Pole

220+ gifts donated  
102 families/218 children served  
20+ employee volunteers  
460 meals given to families



MILL VILLAGE  
FARMS

## Mill Village Ministries

\$100,000 donated to  
under-resourced communities  
80+ employee volunteers  
243 volunteer hours



Period Project  
1,000+ period  
packs assembled

## Giving the Basics

\$10,000 donated to  
School Hygiene Program  
for low-income students  
in Kansas



Greenville  
Literacy  
Association  
6 large boxes  
of books



## Prisma Health Children's Hospital

16,500 diapers donated  
300 toys donated for holidays  
100 Halloween goodie bags  
27 Hospital staff adopted for  
Child Life Month

Turkey  
Earthquake Relief  
\$3,150 raised

## Serenity Place Baby Shower

1,400 diapers  
1,100 wipes  
200 hygiene  
and clothing items



Habitat  
for Humanity

## Habitat for Humanity

20+ employee volunteers  
80+ volunteer hours  
\$2,500 toward Blitzen Project

## School Supply Drives

215 supplies donated to Urban League  
Supply Drive and assembled 30 backups  
of supplies for teens in Sacramento, CA



St. Jude  
Walk/Run

St. Jude Walk  
Southaven, MS  
Raised \$730

## Brazil

\$37K for "Projeto Nadando com Daniel Dias"  
for children swim classes

\$37K for "Escolinha do Triathlon" providing  
fitness classes for children/teenagers

48 laptops donated to "Mais1Code" for  
programming classes for low-income youth

## Hospital Pequeno Príncipe:

\$ 103K donated to "Coral Pequeno Príncipe"  
largest pediatric hospital in Brazil

\$ 117K donated to "Visita da Coruja continua"  
providing music at the hospital

## California

40+ gifts for 10 children's  
Christmas wishlists

Funded field trips for youth at  
the Children's Receiving Home

100 hygiene kits for homeless



Girls on the Run 5K  
and scholarship fund



150 gifts donated  
to Loaves & Fishes



50 participated in  
Run to Feed the Hungry

# ETHICS AND GOVERNANCE

“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, customers, and suppliers. ScanSource has an expectation that its customers and suppliers will adhere to its [Business Partner Code of Conduct](#).

## BUSINESS ETHICS

### Board Governance

The ScanSource Board of Directors provides oversight to the CEO and other senior leadership in their business conduct, with the goal of building long-term shareholder value. 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. The Nominating and Corporate Governance Committee meets quarterly and evaluates the emergent, ESG-related risks and the Company’s social and environmental goals and related policies and programs. Our Board provides continued support and oversight of our ESG journey.

ScanSource’s [Governance Guidelines](#) are available on the “Investors” page of our website, [scansource.com](https://scansource.com), under the “Corporate Governance” tab.

**ESG Steering Committee:** ScanSource has an ESG Steering Committee consisting of cross-functional team members from Legal, People and Culture, 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.

“  
**Earning and building the trust of our customers and suppliers is paramount for ScanSource to thrive. Honesty and integrity drive how we build relationships, conduct business, and support our partners’ needs each and every day.**  
”

**JOHN ELDH,**  
President,  
ScanSource, Inc.

## Board Diversity and Skills

ScanSource is committed to having a diverse, well-rounded, and independent Board to oversee our business. The Nominating and Corporate Governance Committee seeks director nominees that will complement and enhance the effectiveness of the existing Board with respect to skills, knowledge, perspectives, experience, background, and other characteristics. Furthermore, we are committed to the value of inclusion, and the Board believes it is important to consider diversity of race, ethnicity, gender, age, education, cultural background, and professional experiences. **Three of eight of our directors, 37.5 percent, are either gender or racially/ethnically diverse.**



## Code of Conduct

ScanSource is committed to upholding the highest level of ethical conduct in all matters. Our continued success is dependent upon our customers' 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, 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 mitigate 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.

## Board Knowledge and Experience

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*ScanSource Board members are members of the National Association of Corporate Directors (NACD).*

## DATA SECURITY AND CUSTOMER PRIVACY

At ScanSource, we are committed to safeguarding and protecting customer, 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. ScanSource's management engages in cybersecurity tabletop exercises to advance preparedness in cybersecurity threat scenarios.

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 in all relevant domains, including access control, remote access, personnel security, systems and communications protection, media protection, change management, data backup and recovery, audit logging, 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 applicable data privacy regulations, including European Union General Data Protection Regulation (GDPR), Brazilian Lei Geral de Proteção de Dados (LGPD), California's Consumer Privacy Act (CCPA), and California's Privacy Rights Act (CPRP). 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 prepare for 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.

“  
**We have a strong security awareness culture backed by our timely, Company-wide training and webinars. Everyone is a member of the information security team, so their preparedness is integral to our business.**  
”

**COY HOLLINGSWORTH,**  
*Vice President,  
Information Security*



# 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 customers 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.

## 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.

## Anti-Corruption

With a global base of more than 500 suppliers and approximately 30,000 customers, 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.

## Ethical Sourcing

ScanSource markets more than 65,000 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.

“  
**ScanSource is committed to fostering an inclusive culture, respecting human rights, and supporting ethical labor practices. We work to partner with like-minded businesses that respect diversity and human rights throughout our supply chain.**  
”

**SHANA SMITH,**  
*Executive Vice President,  
and Chief Legal Officer*



## 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. As a hybrid distributor of technology solutions and not a manufacturer, ScanSource is not an emissions-intensive business and has lower exposure to risks such as product redesign costs and responsible mineral sourcing. Our opportunities in clean technology and supporting sustainable life-cycle products are attributed to our distribution portfolio, and we are supportive of our suppliers' efforts to bring to market more products of this type. Additionally, 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. Supplier diversity is a key topic for our business, and we continue to examine existing policies and procedures to better understand our risk areas and opportunities to choose suppliers with a more positive environmental impact whenever possible.



### 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 been certified under quality management system ISO 9001:2015 for its primary US distribution center and for relevant departments at its headquarters.

# ENVIRONMENT AND SUSTAINABILITY

## 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 2022, we provided a week of opportunities, including:

### Recycling 101 Day

Encouraged household recycling and provided educational materials.



### Go Green Day

Employees took a break during their workday to walk or work out in nature while sporting green attire to raise awareness of Earth Day.



### Master Gardener Webinar

Employees learned about sustainable gardening and living from the Greater Greenville Master Gardener Association.



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. The park consists of 60 acres of recreational land, including a half-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 is dedicated to the Lila Mae Brock Plaza, which honors Brock's legacy of fighting poverty, crime, and neglect in Greenville, specifically Southernside. Brock advocated 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.

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) emissions to help understand our environmental impact in order to set a baseline. 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.



## GHG EMISSIONS

We calculated our Scope 1 and Scope 2 GHG emissions and commit to calculating and reporting 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 creating 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.

## 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 50 percent of the lighting in our corporate headquarters currently is comprised of LED lighting. To increase overall efficiency, we have replaced nearly 95 percent of our least-efficient lighting fixtures with more-efficient ones. In 2022, our Southaven, MS distribution facility converted all finished ceiling lighting from florescent and incandescent to LED.

We 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 percent savings versus traditional HVAC options. Each year, we conduct an energy audit to ensure we are actively optimizing our energy consumption. ScanSource now 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 AND 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. Our flexible work environment has significantly reduced our on-site waste from averaging 40 cubic yards of waste per week to 16 cubic yards per week. The waste that we cannot 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.

In 2022, we recycled 11,000 pounds of e-waste and specialized materials. These are items that cannot go into the municipal recycling program, such as circuit boards, batteries, steel/copper, and electrical components. We also recycled 800 fluorescent bulbs. As we convert more fixtures to LED, the need to recycle bulbs will decrease every year.

Our Southaven, MS facility works with a local waste partner on its recycling efforts. According to that partner, approximately 83 percent of the facility's waste goes to recyclers and only 17 percent goes to a landfill.

### GHG Emissions

(Data in MTCO<sub>2</sub>e)

Type	2021	2022
Scope 1	642	854
Scope 2 (location based)	3,145	2,699
Total	3,787	3,553





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

- Cardboard
- Stretch film
- Metal scrap
- Lamps and ballasts
- Wood pallets
- 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
- E-waste
- 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 percent 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.

# APPENDIX

## 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 STANDARD	DISCLOSURE	REQUIREMENTS	DATA OR LOCATION OF DATA
<b>General Disclosures</b>			
<b>GRI 2: General Disclosures</b>	2-1 Organizational details	2-1a: Legal name of the organization 2-1b: Ownership and legal form 2-1c: Location of headquarters 2-1d: Countries of operation	ScanSource, Inc., Legal corporation (Inc.) Greenville, South Carolina The United States, Brazil, the United Kingdom, and Canada
	2-2 Entities included in the organization's sustainability reporting	2-2a: Entities included in the consolidated financial statements 2-2b: Difference between entities listed in financial reporting and sustainability reporting 2-2c: Approach used for consolidating entity information	FY22 Annual Report on Form 10-K, Schedule of Subsidiaries, Exhibit 21.1 Same list  All entities included are 100% owned by the parent company, and no adjustments are made to the information.
	2-3 Reporting period, frequency and contact point	2-3a: Reporting cycle 2-3b: Reporting period 2-3c: Date of most recent report 2-3d: Contact point for questions regarding the report	Annual Calendar year ended December 31, 2022 May 20, 2022 investor@scansource.com
	2-4 Restatements of information	2-4a: Report restatements of information from previous reporting periods	Not applicable
	2-5 External assurance	2-5a: External assurance 2-5b: Link to external assurance	Advisor statement: no disclosure currently present Not applicable
	2-6 Activities, value chain and other business relationships	2-6a: Sector in which organization is active 2-6b: Activities, products, services, markets served, supply chain, and downstream entities 2-6c: Other relevant business relationships 2-6d: Significant changes to 2-6a-c from previous reporting period	About ScanSource, ESG Report, page 2 FY22 Annual Report on Form 10-K, Offerings and Markets, page 4  Not applicable Not applicable
	2-7 Employees	2-7a: Total number of employees 2-7b: Information on employees and other workers	About ScanSource, ESG Report, page 3 Workforce Diversity and Inclusion, ESG Report, page 26
	2-8 Workers who are not employees	2-8a: Total number of workers who are not employees	No disclosure currently present
	2-9 Governance structure and composition	2-9a: Governance structure 2-9b: Composition of the highest governance body and its committees	Ethics & Governance, ESG Report, page 15 Board of Directors, 2023 Proxy Statement, page 4; Committees of the Board, 2023 Proxy Statement, page 8
	2-10 Nomination and selection of the highest governance body	2-10a: Nomination and selection of the highest governance body	Nominating & Corporate Governance Committee, 2023 Proxy Statement, page 8
	2-11 Chair of the highest governance body	2-11a: Chair of the highest governance body	Board of Directors, 2023 Proxy Statement, page 4
	2-12 Role of the highest governance body in overseeing the management of impacts	2-12a: Role of governance body and senior executives in developing, approving, and updating the organization's purpose, value or mission statements, strategies, policies, and goals related to sustainable development 2-12b: Role of highest governance body in the organization's due diligence	Stakeholder Engagement and ESG Strategy, ESG report, page 15  Corporate Governance Guidelines, 2023 Proxy Statement, page 5

GRI STANDARD	DISCLOSURE	REQUIREMENTS	DATA OR LOCATION OF DATA
<b>General Disclosures</b>			
<b>GRI 2: General Disclosures</b>	2-13 Delegation of responsibility for managing impacts	2-13a: Delegating authority	Ethics & Governance, ESG Report, page 15
	2-14 Role of the highest governance body in sustainability reporting	2-14a: Report whether the highest governance body is responsible for reviewing and approving the reported information	Ethics & Governance, ESG Report, page 15
	2-15 Conflicts of interest	2-15a: Conflicts of interest	Code of Conduct, ESG Report, page 16
	2-16 Communication of critical concerns	2-16a: Describe whether and how critical concerns are communicated to the highest governance body	No disclosure currently present
		2-16b: Report the total number and the nature of critical concerns that were communicated to the highest governance body during the reporting period	No disclosure currently present
	2-17 Collective knowledge of the highest governance body	2-17a: Collective knowledge of the highest governance body	Corporate Governance Guidelines, 2023 Proxy Statement, page 5
	2-18 Evaluation of the performance of the highest governance body	2-18a: Evaluating the highest governance body's performance	Corporate Governance Guidelines, 2023 Proxy Statement, page 5
	2-19 Remuneration policies	2-19a: Remuneration policy for members of the highest governance body and senior executives	2022 Director Compensation Table, 2023 Proxy Statement, page 19; Named Executive Officer Compensation Fiscal 2022, 2023 Proxy Statement, page 32
	2-20 Process to determine remuneration	2-20a: Describe the process for designing the remuneration policies	Process for Determining Named Executive Officer Compensation, 2023 Proxy Statement, page 30
	2-21 Annual total compensation ratio	2-21a: Ratio of annual total compensation for the organization's highest-paid individual to the median annual total compensation for all employees	Pay Ratio Disclosure, 2023 Proxy Statement, page 51
	2-22 Statement on sustainable development strategy	2-22a: Statement from senior decision-maker	Message from Chairman and CEO, ESG Report, page 1
	2-23 Policy commitments	2-23a: Policy commitments for responsible business conduct	ScanSource Core Values, ESG Report, page 2
	2-24 Embedding policy commitments	2-24a: Describe how each of the policy commitments is embedded	No disclosure currently present
	2-25 Process to remediate negative impacts	2-25a: Processes to remediate negative impacts	No disclosure currently present
	2-26 Mechanisms for seeking advice and raising concerns	2-26a: Mechanisms for advice and concerns about ethics	Business Ethics and Code of Conduct, ESG Report, page 14 Ethics Hotline, ESG Report, page 17
	2-27 Compliance with laws and regulations	2-27a: Total number of significant instances of non-compliance with laws and regulations during the reporting period	No instances reported
	2-28 Membership associations	2-28a: Industry and other membership associations	No disclosure currently present
2-29 Approach to stakeholder engagement	2-29a: Approach to stakeholder engagement	Stakeholder Engagement and ESG Strategy, ESG Report, page 4	
2-30 Collective bargaining agreements	2-30a: Percentage of total employees covered by collective bargaining agreements	FY22 Annual Report on Form 10-K, People and Culture, Page 5	
<b>Material Topics</b>			
<b>GRI 3: Material Topics</b>	3-1 Process to determine material topics	3-1a: Process to determine material topics	Stakeholder Engagement and ESG Strategy, ESG report, page 4
	3-2 List of material topics	3-2a: List of material topics	ESG Materiality Matrix, ESG Report, page 4

## 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 and 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 2022 unless otherwise noted.

CODE	ACCOUNTING METRIC	SCANSOURCE DISCLOSURE/REFERENCE
<b>Energy Management in Retail &amp; Distribution</b>		
SASB CG-MR-130a.1	Total energy consumed	For 2022, ScanSource consumed 48,429 gigajoules (GJ) of electricity. Approximately 58% 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.
<b>Data Security</b>		
SASB CG-MR- 230a.1	Description of approach to identifying and addressing data security risks	<p>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.</p> <p>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.</p> <p>The Company understands the importance of security and makes every effort to fully protect partner information held in systems and other related areas. 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.</p>
SASB CG-MR-230a.2	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of customers affected	ScanSource was subject to a cybersecurity incident that impacted some of the Company's systems. Upon discovering the incident on May 14, 2023, ScanSource implemented its Incident Response Plan and took steps to remediate. See Data Security and Customer Privacy on ESG Report, page 17.
<b>Labor Practices</b>		
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 218 distribution center employees and 131 corporate hourly employees, and the average hourly wage for such U.S. employees was \$22.86. (2) 100% of all hourly employees 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.
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.
<b>Workforce Diversity and Inclusion</b>		
SASB CG-MR-330a.1	Percentage of gender and racial/ethnic group representation for (1) management and (2) all other employees	<b>Gender Representation (U.S. only) (as of 12/31/22)</b>
		<b>Female                      Male                      N/A</b>
		Management                      43%                      57%                      —
		All Other Employees                      54%                      46%                      —
Note: Management is defined as any person who leads people.		

### Workforce Diversity and Inclusion (continued)

SASB CG-MR- 230a.1  
(Continued from  
previous page)

Percentage of gender and racial/ethnic  
group representation for (1) management  
and (2) all other employees

#### Racial/Ethnic Group Representation (U.S. only) (as of 12/31/22)

	Asian	Black or African American	Hispanic or Latino	White	Other	N/A
Management	1%	9%	6%	82%	2%	—
All Other Employees	4%	20%	7%	66%	3%	—

#### Employees by Region (as of 12/31/22)

% located in U.S.	66%
% located in Brazil	29%
% located in U.K.	4%
% located in Canada	1%
% Located in Other	—

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.

### 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.

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.