



# ESG *REPORT* 2020

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# Governance

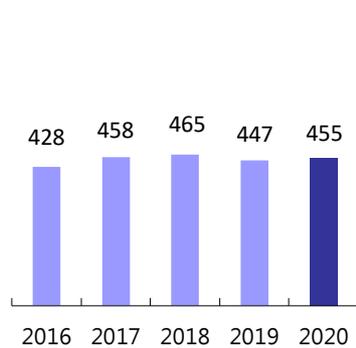


## About Us

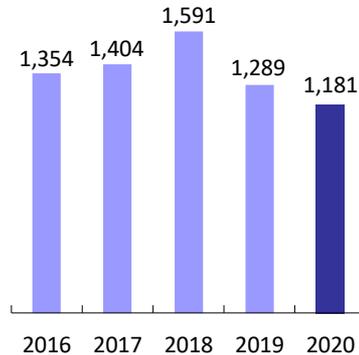
Synnex Technology International Corporation (SYNNEX) was established in 1988. Through a unique operational model, it has become the largest distributor of information, communication, consumer product, and semiconductor products in the Asia Pacific region. SYNNEX provides integrated services to supply chains of high-tech industries, and its business territory covers Taiwan, Mainland China, Hong Kong, Macau, Indonesia, Thailand, Vietnam, India, Australia, the Middle East, and Africa.

### Growth trend in regional revenue within the group in the past five years

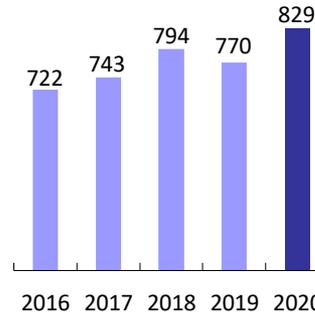
Taiwan (ICT) product sales



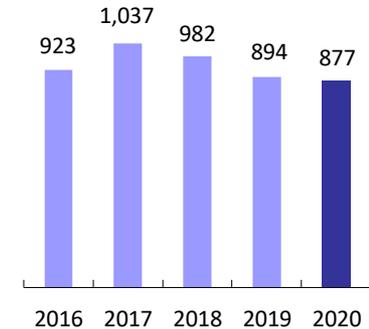
Hong Kong/China (ICT) product sales



New Zealand, Australia, Indonesia product sales



IC Components product sales



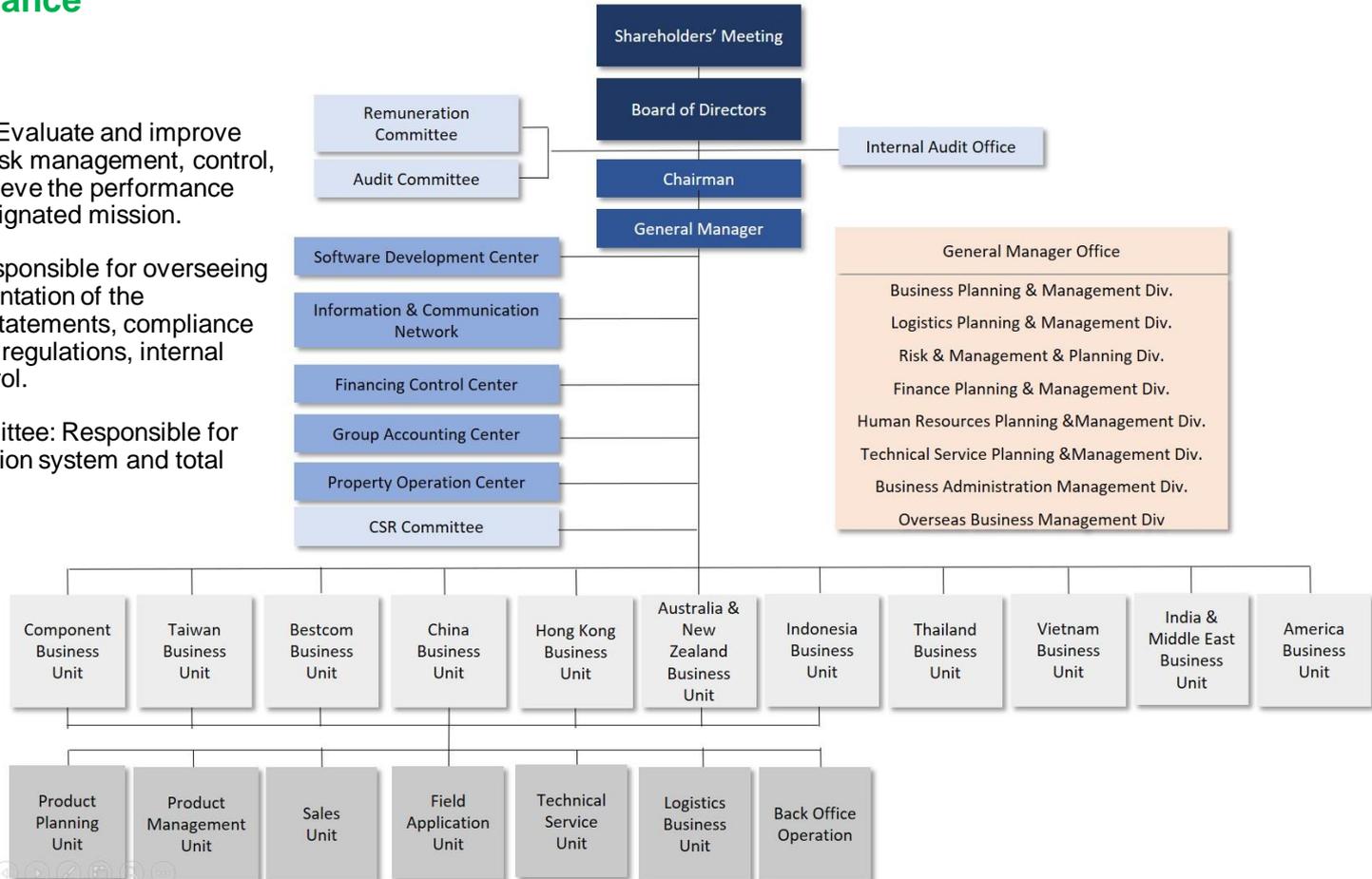
# 32 Years Financial Performance of Synnex



## Corporate Governance

### Board of Directors

- Internal Audit Office: Evaluate and improve the effectiveness of risk management, control, governance, and achieve the performance and quality of the designated mission.
- Audit Committee: Responsible for overseeing the effective implementation of the company's financial statements, compliance with related laws and regulations, internal control, and risk control.
- Remuneration Committee: Responsible for the overall remuneration system and total bonuses review.



## President Office

- Business Planning & Management Div.: Responsible for overall business operation planning, management analysis, and process planning.
- Logistics Planning & Management Div.: Responsible for overall logistics operation planning, management analysis, and process planning.
- Risk & Management & Planning Div.: Responsible for the overall accounting and legal system development, planning, and management.
- Finance Planning & Management Div.: Responsible for overall financial analysis, planning, and management.
- Human Resources Planning & Management Div.: Responsible for development, planning, and training of overall human resources.
- Technical Service Planning & Management Div.: Responsible for planning of overall technical service and operation.
- Business Administration Management Div.: Responsible for the overall product purchase, sales, and inventory operating procedure planning and strategy formulation.
- Overseas Business Management Div.: Responsible for planning, support, and management of overseas affairs.
- Software Development Center: Responsible for planning, integration, and maintenance of overall ERP system.
- Information & Communication Network Center: Responsible for the procurement, management, and maintenance of computers and communication equipment.

- Financing Control Center: Responsible for managing the Group's finances.
- Group Accounting Center: Responsible for the financial, tax, and accounting affairs of the Group.
- Property Operation Center: Responsible for planning and setup of the Group's logistics centers as well as property management.
- CSR Committee: Responsible for the coordination and promotion of various corporate social responsibility matters.
- Product Planning Unit: Responsible for formulation and implementation of products' operational strategies.
- Product Management Unit: Responsible for planning and implementation of products' purchase, sales, and inventory strategies.
- Sales Unit: Responsible for product sales.
- Field Application Unit: Responsible for pre-sale services for product R&D and technology application support.
- Technical Service Unit: Responsible for technical support service before and after the sale.
- Logistics Business Unit: Responsible for operational implementation of warehousing, distribution, and post-sales maintenance services.

## Core Value

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

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

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

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

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

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

## Risk management

Risk item	Risk factor	Impact on the company	Response measures
Change of government policy and regulations	As the company is a channel business with strong logistics capabilities, the risk of product R&D focuses solely on suppliers or customers. At present, the industrial policies of the governments of each country in which the company is located tend to encourage the development of high value-added logistics operations, especially in Taiwan and the China. Thus, the risk of change of government policies and regulations is limited at present.	There are no major changes in government policies and regulations.	The company will continue to observe and analyze the future direction of government policies and regulations in order to facilitate immediate response.
Change of technology	The company's product range is mostly high-tech products; thus, sales change triggered by change of technology will result in operational risk, for example, unable to become an agent for innovative products.	The company's product distribution rights have both increased and decreased.	"Multi-brand, multi-products" is the important policy of the company's product operation. The products that the company distributes includes most well known global brands. In general, most major brands have good control of the technology advantage; thus, the Group's operational risk is effectively reduced.
Change of corporate image	As the end-user of the company's IT and Telecom products are consumers, corporate image is very important to the company's operation.	The corporate image of the Company remains positive and there is no event that significantly damaged the Company's image.	<ol style="list-style-type: none"> <li>1. Strengthen the service skills of the customer service department, and fully utilize the functions of customer feedback and consumer complaint mailbox.</li> <li>2. In case of major consumer disputes, an inter-departmental team shall be formed to keep the situation from worsening.</li> </ol>
Mergers and acquisitions	Mergers and acquisitions can facilitate the expansion of product distribution and range while expanding market share. However, there are risks of overpricing, undervaluing liability, and failure in integration.	The company did not participate in any mergers and acquisitions.	N/A

Risk item	Risk factor	Impact on the company	Response measures
Expansion of plants	Synnex's core competitive advantage is effective and quality back office logistics operation that enhances value added services, expands market share, and enhances overall performance. However, there exists risks of poor cash flow resulting from over-expansion, low utilization, or idleness.	The cost of establishment or expansion of logistics centers was approximately NT\$463 million.	Before expansion: Careful evaluation of investment effectiveness and cost. After expansion: Introduce successful operational experience and management to develop its effectiveness.
Centralized purchasing or sales	The risk of centralized purchasing is the impact to the company's performance when distribution rights or when the represented product has lost its competitiveness. The risk of centralized sales is the significant impact to the company's performance when losing a customer.	The company does not have over centralized purchasing and sales issues. See the statistics of the "Group's list of key clients and amounts in the past two years".	"Multi-brand, multi-products" and "open channel management to establish dense reseller network" is the company's operational strategy, which can also effectively avoid risk of centralized purchasing and sales.
Mass transfer or change of shares of directors, supervisors, or shareholders holding more than 10% interest	May have significant impact to shareholder rights and Synnex's share price.	No significant equity transfer or change.	The company has established reporting mechanism to effectively manage relevant situations and the disclosure of information.
Change in management rights	May have significant impact to shareholder rights and Synnex's share price.	There is no change in management rights.	The company will promptly publish major information shall there be any change in management rights.

Risk item	Risk factor	Impact on the company	Response measures
Information security	<p>Information security risk refers to the threat that may affect the assets, processes, and operating environment of the entire enterprise organization. The business operations of the company are highly dependent on the establishment and development of information systems. Thus, the control of information security is very important to avoid losses due to information confidentiality, integrity, or availability.</p>	<p>In response to security threats that are increasingly difficult to predict and prevent, and in addition to continuously obtaining security certifications, we have also strengthened the implementation of the security and antivirus updates, vulnerability scanning, and penetration testing of the company's IT environment to detect and eliminate potential security loopholes. We also actively strengthen the IT environment backup mechanism to ensure continuous business operations without interruption.</p>	<p>1. Monthly security and antivirus updates for the IT environment's software and hardware, and strengthen colleagues' security awareness and promote implementation through push notifications. 2. Continue to track the latest security information and threats in the market, and immediately assess the scope of impact and formulate countermeasures to ensure that the company's information environment is synchronized with changes in security. 3. Evaluate the company's risk events each year, establish a risk event database, control the risk events and levels that may exist in the enterprise, and continue to track improvement. 4. Strengthen the company's IT environment backup mechanism and implement BCP drills to ensure that the company's operations can continue uninterrupted when natural disasters and man-made disasters occur.</p>
Litigation or non-litigation events	<p>Major litigation and non-litigation events of the Company and the Company's Directors, Supervisors, General Manager, actual owner, major shareholders with over 10% of shareholding, and subsidiaries will damage the Company's image, shareholder rights, and Synnex's share price.</p>	Description below	<p>With the established reporting system, the Company will minimize the damage through honest, fast, and open process.</p>

## Social



## Human rights assessment

We hope to contribute to the economic stability of our society by protecting the work rights of our employees.

### Human rights-related management mechanisms

Protect work rights	As of December 31, 2020, we have a total of 1,347 employees. Among them, 1,311 employees are permanent, accounting for more than 97%. We did not hire any contract workers. All employees are provided with all of the rights and interests as specified by the regulations from their first day at Synnex to ensure their employment rights.
Anti-employment discrimination	We hire employees and arrange promotions based on work ability, without any discrimination or unfair treatment based on race, class, language, thought, religion, political party, place of birth, gender, appearance, facial features, sexual orientation, age, marital status, mental and physical disability, zodiac sign, blood type, or union membership.
Provide a secure work environment	To provide employees with a secure work and service environment, we have stipulated a plan to prevent illegal infringements while performing duties to identify and evaluate possible hazardous risks and take preventive measures to avoid physical, mental, or verbal threats and attacks from internal and external personnel when employees are working. We have established measures of prevention, complaint, and punishment of sexual harassment in the workplace, and have set up a Complaints Evaluation Committee to handle sexual harassment complaints and ensure that the work environment for our employees is safe.
Minimum notice period for major operational changes complies with the labor laws	Our minimum notice period for major operational changes complies with the Labor Standards Act. We give prior notice before terminating a labor contract. The minimum notice period depends on the employee's seniority.
No compulsory labor	We establish labor-employer relations with our personnel based on mutual respect and trust and are in compliance with the laws and regulations to ensure that there will be no violations of forced labor, slavery, or human trafficking, or illegal employment of child labor.

## 2020 staff composition

Type	Category	Male		Female		Total	
		Number of staff	%	Number of staff	%	Number of staff	%
Employee type	Permanent	750	57%	561	43%	1311	97%
	Part time	19	53%	17	47%	36	3%
	Contract	0	-	0	-	0	-
Employer-employee contract	Permanent (Indefinite contract)	705	56%	547	44%	1252	95%
	Contract (Term contract)	45	76%	14	24%	59	5%
Nationality	Taiwanese Citizen	749	57%	561	43%	1310	100%
	Foreigner	1	100%	0	0%	1	0%
Age	≤30 years old	179	52%	168	48%	347	26%
	31-50 years old	513	58%	365	42%	878	67%
	≥51 years old	58	67%	28	33%	86	7%
Management	Management personnel	111	61%	70	39%	181	14%
	Non-management personnel	639	57%	491	43%	1130	86%
1. The number of persons by employee type includes part time personnel; all other disclosures are permanent employees							
2. Management personnel is defined as those above the manager level							

**Total number and proportion of newly hired permanent employees in 2020**

Gender	Age range	Number of new recruits	Total number of employees	Percentage of new recruits
Female	≤30 years old	66	168	15%
	31-50 years old	18	365	
	≥51 years old	0	28	
Male	≤30 years old	67	179	15.10%
	31-50 years old	46	513	
	≥51 years old	0	58	
Total		197	1311	15%

**Total number and proportion of permanent employees who departed in 2020**

Gender	Age range	Number of departing employees	Total number of employees	Percentage of departing employees
Female	≤30 years old	43	168	15.50%
	31-50 years old	42	365	
	≥51 years old	2	28	
Male	≤30 years old	56	179	16.00%
	31-50 years old	58	513	
	≥51 years old	6	58	
Total		207	1311	15.80%

## Occupational health and safety

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

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

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



## Occupational disease prevention and employee health management

### On-site healthcare services

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

### Health enhancement activities

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

### Hired healthcare nurses

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

### Regular medical check-ups

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

### Health promotion environment

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

Neck and shoulder massage services are provided by a professional masseuse to relieve the stiffness from sitting in the office for long hours, improve blood circulation, and relieve stress. 4,305 massages were provided in 2020.

## Occupational safety education and training

The 2020 total attendance for external occupational safety education is shown in the table to the right. We also organize a variety of education and training courses for employees to enhance their safety awareness and avoid unsafe behaviors.

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

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

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

### Occupational safety and health training courses

Type	Course title	Enrollments
Internal training	Occupational safety and health training for new hires	90
	Occupational safety and health training for employees	2,639
External training	On-the-job training for occupational safety and health management personnel	2
	On-the-job training for occupational safety and health supervisors	3
	Education and training for forklift operators	18
	Safety and health education and trainings specified for first aid personnel	11
	Training lectures refresher course for fire prevention managers	1

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

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

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

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

## Occupational injury prevention

A total of four occupational injuries occurred in 2020, of which one were due to employee safety negligence during the performance of their duties, and eight was a traffic accident that occurred when an employee was commuting to and from work while riding a motorcycle.

In 2020, the disabling injury frequency rate is 3.34, the work days lost rate is 175.34 (calendar days), and the number of occupational deaths is 0.

A careful analysis shows that the injuries are mostly due to accidents caused by negligence of their own safety (accounting for 90% of all incidents). Thus, to enhance employees' safety awareness and reduce the risk of similar incidents, we actively strengthen internal education and training and safety promotion.

### 2020 occupational injury statistics

Employees	Male	Female	Total
Injury frequency rate (IR)	5.8	0.00	3.34
Occupational disease rate (ODR)	0	0	0
Lost day rate (LDR)	304.98	0.00	175.34
Absence rate (AR)	0.30%	0.40%	0.36%
Total number of occupational deaths	0	0	0

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

## Compensation and Benefits

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

### Competitive Compensation Package

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

### Social insurance

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

### Retirement system

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

### Employee group insurance

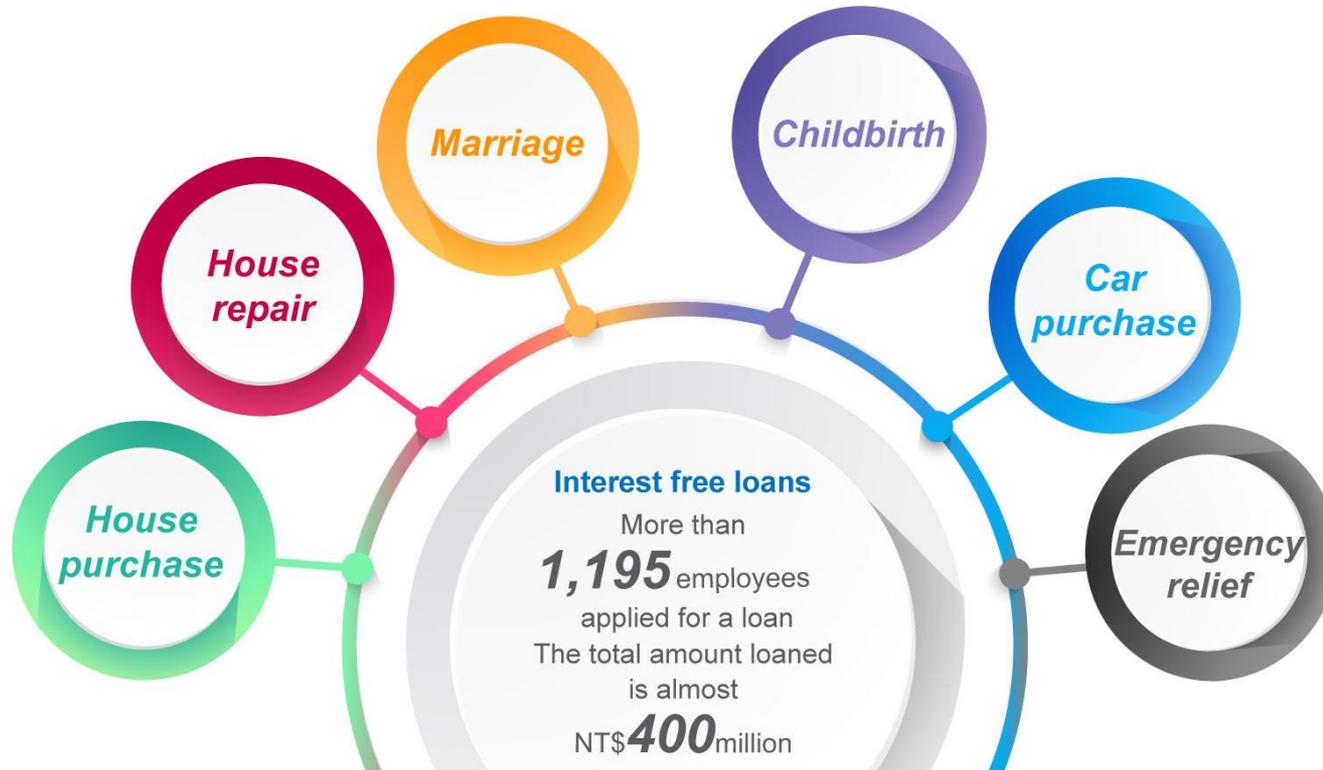
The company enrolls all permanent employees in group insurance. All employees have life insurance coverage of at least NT\$3 million, providing 3-5 years of economic security to their families.

### Employee Care

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

## Interest free loans

Employees that have served at the company for at least one full year are eligible for interest free loans for house purchase, house repair, marriage, childbirth, car purchase, and emergency relief, to reduce the financial burden of employees who are dealing with major life events. 1,195 employees applied for loans since the establishment of this benefit and the total amount loaned is almost NT\$400 million.



### Leave system

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

### Team building activities

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



### Neck and shoulder massages

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

## Gender equality in employment

The appointment and promotion of employees is not affected by gender; in 2020, women hold 39% of positions above the manager level and 47% of positions at the assistant manager level and above, higher than the proportion of female employees.

### Parental leave

We provide employees with a friendly flexible parental leave environment.

According to the statistics in 2020, among the female employees who are eligible for parental leave, over 50% (also a number of male colleagues had applied for parental leave) had applied for parental leave right after maternity leave; also, nearly 80% of the employees who had applied for parental leave will be reinstated. This has helped reduce the conflict between work and family care for female employees, so that female colleagues do not have to cut their careers short due to the need for short-term family care!

### Parental leave, reinstatement and retention rates

Item	No. of male	No. of female	Total
Number of employees eligible for parental leave in 2020 (A)	57	60	117
Number of employees who took parental leave in 2020 (B)	5	31	36
Expected total number of reinstated employees in 2020 (C)	3	22	25
Actual total number of employees reinstated during the reporting period in 2020 (D)	0	20	20
Actual total number of employees reinstated during the reporting period in 2019 (E)	3	9	12
Total number of employees still on the job 12 months after returning from taking parental leave in 2019 (F)	2	8	10
Parental leave application rate (B/A)	9%	52%	31%
Reinstatement rate (D/C)	0%	91%	80%
Retention rate (F/E)	67%	89%	83%

Note:

1. Male: took paternity leave in 2018-2020 Female: took maternity leave in 2018-2020
2. Reinstatement rate: Actual number of employees still on the job 12 months after returning from taking parental leave/Actual reinstatement after taking parental leave (during the previous year)
3. Retention rate: Employees still on the job 12 months after returning from taking parental leave (during the previous year)/Actual reinstatement after taking parental leave (during the previous year)

## Labor Relations

No significant labor dispute or loss has occurred in 2020.

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

## Social Participation

### Academia and industry collaboration intern program

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

In 2019 and 2020, the Taipei headquarters and logistics centers (Taipei, Taichung, and Kaohsiung) employed a total of 17 interns.



## Smart logistics centers provide industry-academia exchange and education and training

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

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



## Synnex Blood Drive • Donate Happiness

The Synnex Foundation and Synnex's Employee Welfare Committee jointly organized the "Synnex Blood Drive, Donate Happiness" event.



## Visually impaired masseurs, providing more job opportunities for disadvantaged groups

Synnex partners with a massage group for the visually impaired and provides a dedicated office space for visually impaired masseurs. This way, Synnex employees can relax their mind and body through massages while they are busy, and at the same time, offer more job opportunities for visually impaired masseurs.

In 2020, Synnex employees used the massage services offered by visually impaired masseurs a total of 4,305 times.





Environment

## Climate change

### The first electronic distributor to disclose TCFD in Taiwan

Synnex is a high-tech industry channel integration service provider. Although we are not in a high pollution industry, as a citizen of the earth, it is our duty to mitigate and adapt to the threat of climate change. Synnex has signed up to become a TCFD supporter and based on the Recommendations of the Task Force on Climate-Related Financial Disclosures framework, is identifying risks and opportunities that climate change may bring and making preliminary assessments of its potential financial effects and other impact.

The changes in consumer behavior due to the tightening of domestic and foreign climate-related laws and regulations, and more frequent occurrences of extreme weather events could potentially impact our revenue, product value, and even reputation. Thus, the company is gradually improving the identification and management methods of climate-related risks and opportunities, and formulating corresponding strategies in hopes of building the company and its customers' ability to move towards low-carbon transformation and contributing to the sustainable development of the world.



# TCFD

Task Force on  
Climate-related  
Financial  
Disclosures

 <p>Climate governance</p>	<p>Synnex has incorporated climate change issues into the overall sustainable governance and risk management affairs to demonstrate our determination to promote sustainable development. The CSR Committee is responsible for the supervision and management of the company's overall sustainability issues and climate-related risks and opportunities, and regularly reports the results of implementation to the President (CSR Committee Chairman). The environment team will drive and guide the specific actions to respond to climate change.</p>
 <p>Climate strategies</p>	<p>To respond to the potential impacts of climate change effectively, Synnex has planned specific management practices. The CSR environment team regularly researches and collects feedback from various business departments to identify and evaluate major climate-related risks and opportunities. The team discusses corresponding countermeasures or practical strategies through work group meetings to help mitigate potential climate risks and understand sustainable opportunities.</p>
 <p>Risk management</p>	<p>Synnex proactively manages climate-related risks and incorporates factors such as climate change mitigation and adaptation into the company's operational strategies and preventive maintenance plans for proper execution and effective responses to climate-related risks.</p>
 <p>Climate indicators and targets</p>	<ol style="list-style-type: none"> <li>1. Taking 2019 as the baseline date, carbon emissions per shipped box will be reduced by 3% compared to the baseline date by 2024.</li> <li>2. Taking 2019 as the baseline date, the per capita water use intensity will be reduced by 3% compared to the baseline date by 2022.</li> </ol>

## Results of identification of climate-related risks and opportunities in 2020

### Climate-related risks

Aspect	Issue	Description of potential risks	Expected impact time frame	Potential financial impact	Response measures
Policy and regulations	Operations are subject to local carbon reduction regulations	To slow down the emission of carbon dioxide, governments of various countries have successively stipulated relevant emission regulations. Synnex has operating bases all over the world. Although Synnex does not emit a large amount of carbon dioxide, we may still be subject to local regulations and incur additional carbon reduction costs.	Mid term	Increased costs	<ul style="list-style-type: none"> <li>✓ Continue to monitor legislative changes and trends for each operating base.</li> <li>✓ Set energy saving and carbon reduction targets for the group.</li> <li>✓ Replace energy-consuming equipment.</li> </ul>
Supply chain management	Supply chain cut off	As climate change intensifies, the occurrence of extreme weather events increases. This may lead to disruptions in our supply chain that will cause delays in delivery, which may decrease our revenue and damage our reputation.	Mid term	Decline in revenue	<ul style="list-style-type: none"> <li>✓ Improve supply chain flexibility.</li> <li>✓ Invest in digital products and services.</li> <li>✓ Purchase multiple brands and expand business scale.</li> </ul>
	Suppliers pass on costs	Suppliers' production costs increase due to climate changes. This may increase the purchase price of products. The price increase will affect the competitiveness of its products, which may affect our profitability.	Long term	Decline in revenue	
Climate Warming	Increase in energy consumption and water consumption	Increase energy consumption and water consumption result in higher operating costs.	Long term	Increased costs	<ul style="list-style-type: none"> <li>✓ Green energy conservation projects.</li> <li>✓ Switch to energy-saving lighting.</li> </ul>

## Potential opportunities

Aspect	Issue	Description of potential opportunities	Expected impact time frame	Potential financial impact	Response measures
Distribution management	More efficient distribution tools and systems	Emissions from transportation is one of Synnex's significant emission sources. By optimizing distribution routes and eliminating vehicles with inefficient fuel consumption, energy can be used more efficiently, thereby reducing carbon emissions and energy costs.	Short term	Decline in costs	<ul style="list-style-type: none"> <li>✓ Build a smart logistics management system to optimize distribution routes</li> <li>✓ Procure vehicles or new energy vehicles that meet energy consumption standards</li> </ul>
Products and services	Increased customer demand for low-carbon products and services	Under the trend of worldwide low-carbon transformation, customers are more willing to support low-carbon and environmentally friendly products. If Synnex can provide products and services that meet the needs of the market, our revenue and reputation will be enhanced.	Short term	Increase in revenue	<ul style="list-style-type: none"> <li>✓ Continue to monitor market demand and low-carbon trends.</li> <li>✓ Suppliers purchase products that meet low-carbon trends.</li> <li>✓ Strengthen digital services.</li> <li>✓ Use vehicles or new energy vehicles that meet energy consumption standards.</li> </ul>

## Energy Management

### Energy consumption within the organization

Synnex's internal energy consumption is mainly non-renewable outsourced electricity and the fuel used by the distribution vehicles of our logistics centers. Our Taipei headquarters is a commercial office building, which mainly uses outsourced electricity for ICT equipment, air-conditioning systems, and lights. The logistics centers use the outsourced electricity for automated storage equipment and lights, and there is also fuel for logistics and distribution vehicles. Relevant data sources are Taiwan Power Company's electricity bills and the refueling records of the distribution vehicles. We also refer to the energy product heating value table released by the Bureau of Energy in 2019. Calculations are made using the following formula: energy usage x heating value x conversion unit.

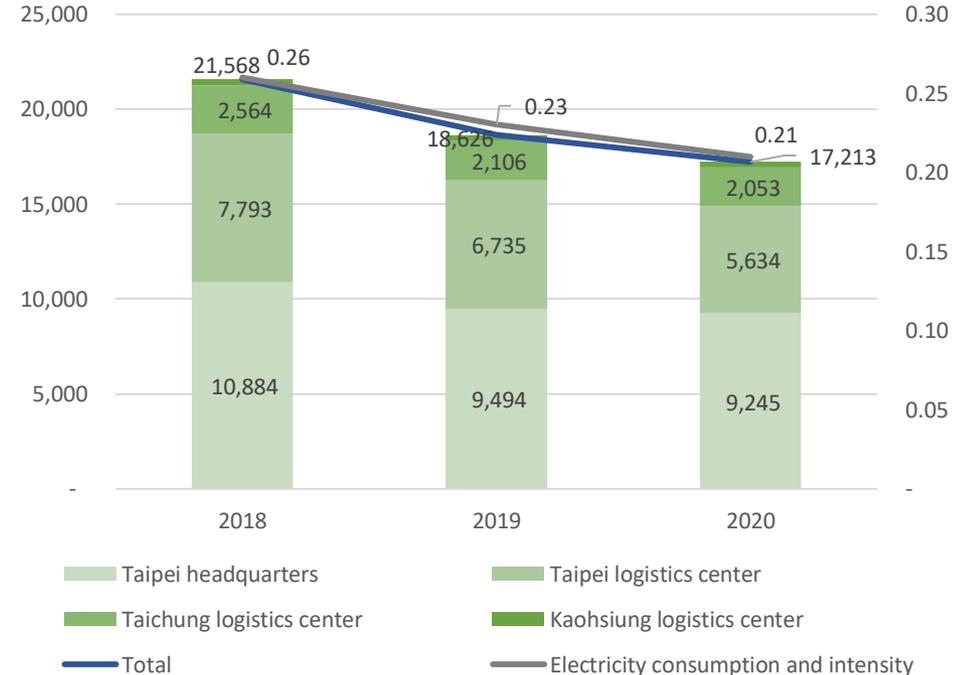
#### Outsourced electricity



With 2019 as the baseline date for comparison, the electricity consumption decreased by 7.6% in 2020, mainly due to the following measures:

- ◆ fluorescent tubes in the building were replaced by LED lights
- ◆ Regular maintenance and cleaning of air conditioning units and cooling tower cooling fins to improve operational performance
- ◆ Dynamic adjustment of air conditioner runtime according to the season

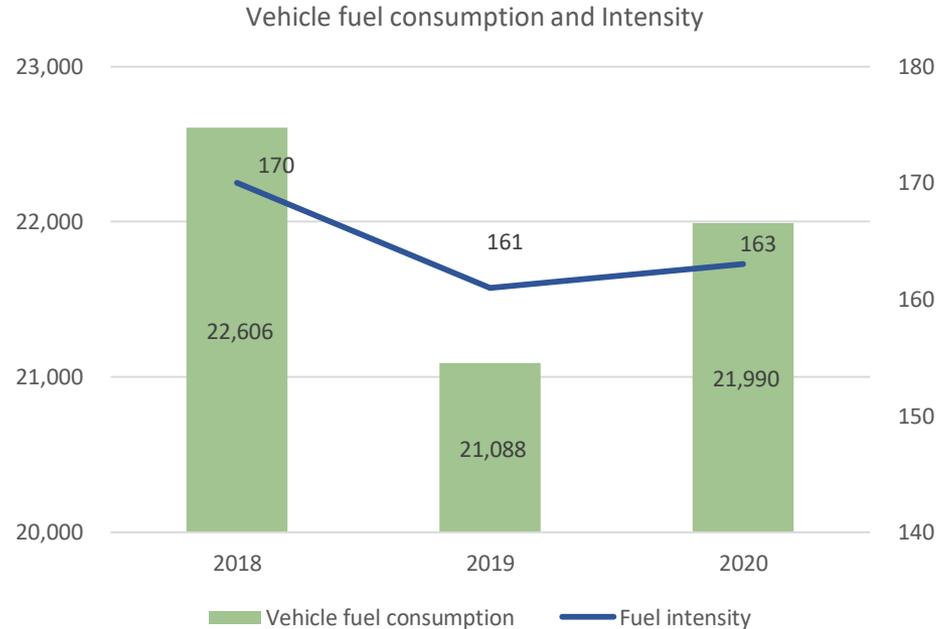
2018-2020 Electricity consumption and Intensity



### Logistics center vehicles fuel consumption

The fuel consumption of vehicles of the logistics centers in 2020 was 163 (GJ/vehicle), a increase of 1.2% from the previous year. This was due to our home electronics installation and maintenance service continued to grow.

In terms of internal energy consumption such as electricity and fuel for vehicles, the total energy consumption in 2020 was 38,482GJ, a sharp drop of 3.1% compared to 2019. On the whole, energy efficiency has improved substantially compared to 2019, which shows the effectiveness of energy-saving measures and the benefits of replacing old vehicles.



## Greenhouse gas emissions

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

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

In 2020, Synnex's total GHG emissions was approximately 4,088 tons of CO<sub>2</sub>e, a decrease of approximately 5% compared to 2019.

Compared with 2019, Scope 1 increased from 12.11 metric tons of CO<sub>2</sub>e per vehicle to 12.26 metric tons of CO<sub>2</sub>e per vehicle, which is an increase of 1.2%.

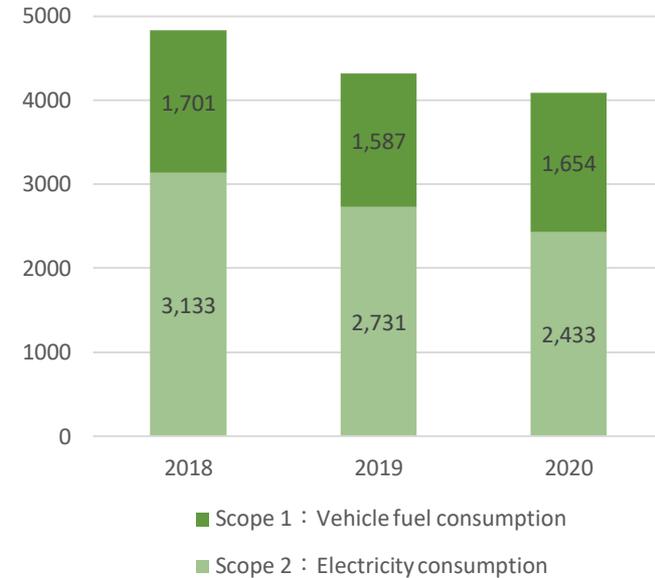


Scope 2 declined from 0.034 tons of CO<sub>2</sub>e/floor area (m<sup>2</sup>) to 0.030 tons CO<sub>2</sub>e/floor area (m<sup>2</sup>), a decrease of 11%, which shows that the control of GHG emissions is effective.



Note : The quantification of greenhouse gases in this report was calculated using the GHG Emission Factor Management Table Version 6.0.3 updated by the Environmental Protection Administration on January 17, 2018 and the 2014 Fifth Assessment Report of the United Nations Intergovernmental Panel on Climate Change (IPCC) based on the 100-year Global Warming Potentials (GWP), in which all GHG emissions are converted into carbon dioxide equivalent (CO<sub>2</sub>e) using GWP.

2018-2020 Greenhouse gas emissions



### 1. Delivery vehicle fuel consumption

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

### 2. Outsourced electricity

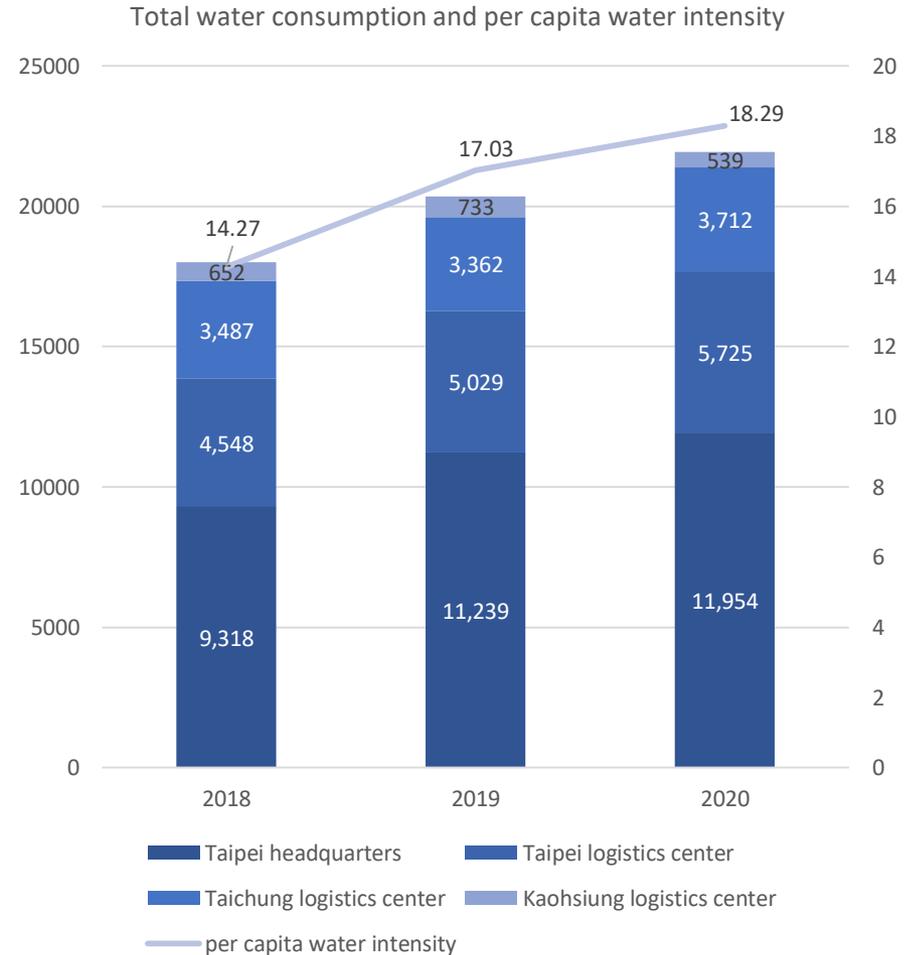
GHG emissions = amount used (kWh) x GHG emission factor (kg/kWh)

## Water management

Synnex's main operating bases are located in Taipei City, Taoyuan City, Taichung City, and Kaohsiung City, and the water supply comes from Taipei Water Department and Taiwan Water Corporation.

In recent years, due to the increasingly abnormal climate, droughts last longer. In addition to implementing daily inspections, promoting water-conservation concepts, and introducing water-conservation facilities to improve water efficiency, we also review the water usage in various regions through water bills to understand the improvements that can be made in each area.

In 2020, the total water consumption of the Taipei headquarters and logistics centers (Taipei, Taichung, and Kaohsiung) increased by 7.7% compared to 2019. The overall per capita water intensity was 18.29 tons, increased by 1.26% compared to 2019, mainly due to educating colleagues to implement hand-washing and other preventive measures during COVID-19.



## Waste management

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

In 2020, the total amount of waste generated by the Taipei headquarters and logistics centers (Taipei, Taichung, and Kaohsiung) was approximately 136 tons, a increase of 2% from 2019, due to the growth in operational volume.

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

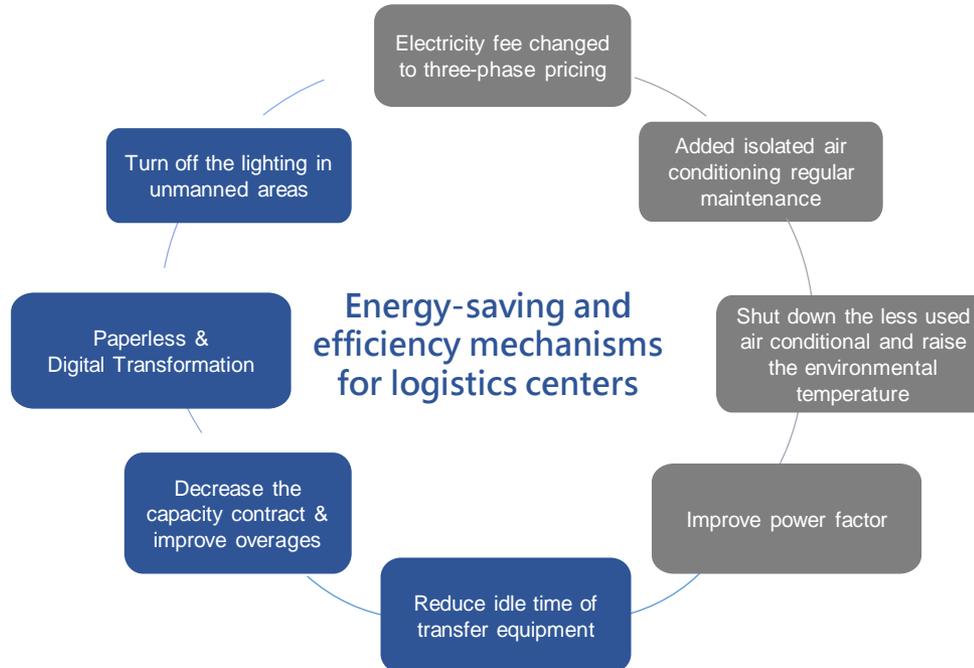


Item	Disposal method	2018	2019	2020
General waste	Incineration	103	104	106
General industrial waste	Recycle	17	13	11
Recycle or reuse (Class R)	Recycle	29	17	19
Total		149	134	136

## Friendly Environment

### Green energy conservation projects

Synnex has continued to invest in improving the energy efficiency of its headquarters and logistics centers for many years to reduce the load on the environment, and has established comprehensive energy-saving management and energy efficiency mechanisms in the most energy-intensive logistics centers.



## Recycle electronic waste

Synnex has recycling symbols and recycling bins setup for obsolete or used cellphones, electronic products, and batteries at the maintenance centers, and reminds consumers to delete their personal data before recycling for personal privacy protection. Each quarter, the company's contractors handle the recycling according to law.

Furthermore, Synnex has been cooperating with the Environmental Protection Administration's "Four-Waste Machines" recycling policy since 2013 by helping consumers recycle old TVs, refrigerators, and washers when installing home appliances. However, this is an additional service, not waste that is generated by Synnex's operations. According to statistics, 4,959 units were recycled in 2020.



## Reduce the impact of logistics and transportation on the environment

Logistics vehicles are Synnex's main source of energy consumption and GHG emissions. Thus, while replacing used vehicles with new ones, vehicles in compliance with the environmental regulations of Taiwan are used to reduce air pollution throughout the product transportation process. Moreover, through the logistics management information system developed in-house, combined with our own distribution fleet and years of practical experience in distribution applied to dividing distribution routes, we reduced inefficient transport routes to improve distribution efficiency. When vehicles return to the factory to park or unload and load, the engines must be turned off and idling is prohibited to reduce fuel consumption and emissions of air pollutants and greenhouse gases.

In addition to the aforementioned environmentally friendly behavior to reduce environmental impact, Synnex also strictly abides by the central and local environmental protection regulations. There are no penalty records for violations of environmental protection regulations in 2020. Also, all of Synnex's operating bases are not located in eco-system protected areas, so there is no risk of affecting ecological diversity.

