



Products

Enabling sustainable digital transformation

At SHI, we are committed to empowering our customers to make informed and sustainable decisions in purchasing and managing IT resources. We offer a range of energy-efficient hardware solutions and provide comprehensive sustainability services, including ITAD, cybersecurity risk management, and server energy efficiency advisory. Our partnerships with manufacturers, distributors, and logistics providers who have robust sustainability programs further enhance our ability to deliver eco-friendly solutions. By integrating these practices, we support our customers in their sustainability journeys, helping them reduce environmental impact and achieve their sustainability goals.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	To ensure sustainable consumption and production patterns

Highlights

Over **735,500** products offered by SHI are covered by ENERGY STAR, EPEAT, or TCO certifications

↓ 7% YoY reduction in lifecycle carbon footprint of products sold

↑ 72% growth in the number of customer devices recycled or remarketed

Sustainable solutions

Energy-efficient hardware

SHI offers over 735,500 hardware devices that have either ENERGY STAR, EPEAT, or TCO certifications. These environmentally certified devices encompass key product categories such as computers and laptops, multifunction machines and printers, workstations, and peripheral equipment, and represent 28% of our entire product range. We are committed to supporting customers who wish to prioritize energy-efficient devices in their procurement practices.

SHI partners with many original equipment manufacturers (OEMs) that have established sustainability programs focused on reduction of carbon emissions, circularity, supply chain management, and social impact. This, in turn, improves the sustainability credentials of the products we sell. For example, Apple and Lenovo have science-based climate targets, while ASUS, Dell, and HP have committed to set such targets. SHI is engaged in sustainability learning circles set up by OEMs and participates in direct discussions with them to exchange best practices across a broad range of sustainability topics.

In 2024, SHI launched a pilot project to estimate the lifecycle carbon emissions and energy consumption of the hardware devices we sold. The assessment revealed a 16% reduction in average emissions per device across key categories compared to 2023. Future improvements in energy efficiency will depend on the decarbonization actions taken by customers and end users, as a significant portion of emissions is linked to the use of these devices.

Change in the average lifecycle carbon footprint of hardware products sold

Product category	Change as compared to 2023
Data centers	-8%
End-user devices	0%
Peripheral end user devices	-26%
Networking	-4%
Unified communication and collaboration	+8%
All hardware	-16%

AI and sustainability

SHI has made significant investments in our generative AI capabilities, notably through the launch of our AI & Cyber Labs. This facility provides a sandbox for customers to validate AI solutions with their actual data, workloads, and integration requirements across leading platforms prior to commitment.

Recognizing the growing carbon footprint of the AI industry, largely due to the energy demands of training large language models, SHI is dedicated to addressing these environmental concerns.

The AI & Cyber Labs are supported by an in-house data center, enhanced with liquid cooling, hot aisle containment, and advanced power management technologies like Sunbird's DCIM. These upgrades are designed to optimize power usage and manage heat efficiently, minimizing environmental impact.

Looking ahead, SHI will continue to assess the energy use of our AI equipment, both pre- and post-implementation, to optimize consumption and further reduce carbon emissions.



Circular economy: Recycling and asset recovery

SHI is committed to reducing e-waste and minimizing associated environmental impacts while addressing the IT asset management (ITAM) challenges our customers face. For many organizations, the COVID-19 pandemic resulted in the accumulation of significant IT equipment stockpiles. These corporate-owned devices are now approaching the end of their lifecycles. With global economic pressures increasing hardware costs and stagnant IT budgets, efficient asset management has become more crucial than ever. Moreover, rising concerns about data security, hardware return rates, and the growing emphasis on sustainability and carbon footprint reduction add complexity to these challenges.

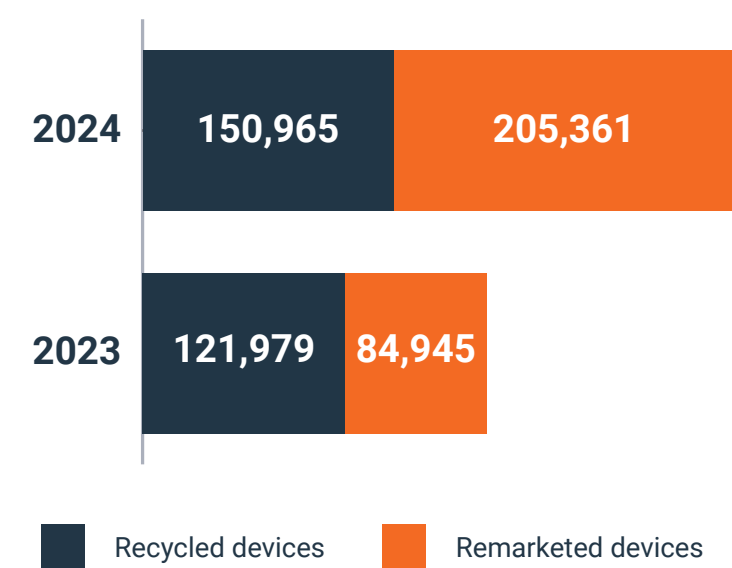
Since 2007, SHI has operated our ITAD program, designed to offer flexible asset recovery methods tailored to diverse customer needs. These include onsite collection or destruction, pre-paid shipping options, and certified DoD-level data destruction. Through meticulous program management and transparent reporting, SHI ensures seamless multi-site asset recovery and data center decommissioning services. By maximizing asset recovery value through payment and credit towards new equipment, SHI empowers businesses to achieve their sustainability goals while maintaining operational efficiency.

SHI's ITAD services



In 2024, SHI successfully processed over 350,000 assets across 35 countries, a 72% increase as compared to 2023. Our unified device lifecycle management service offering not only addresses immediate IT asset challenges but also significantly contributes to a sustainable and circular economy.

SHI's ITAD performance



In addition to SHI's ITAD activities, IT manufacturers offer takeback and reuse programs to encourage recycling and upgrades. Apple, Asus, Cisco Systems, Dell, HP, Lenovo, LG, and other manufacturers provide credits for old devices, often with extra incentives. SHI helps facilitate our customers' participation in these programs, promoting device recycling and environmentally responsible upgrades.

Use of recycled materials

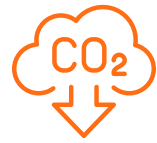
SHI collaborates with leading equipment manufacturers who are prioritizing the use of recycled materials in their products and packaging. Some of their short-term commitments include:

Manufacturer	Target	Period
Apple	Use 100% recycled cobalt in all Apple-designed batteries	2025
Dell	Have 100% of packaging made from recycled or renewable material or be reused packaging	2030
HP	Use 30% postconsumer recycled content plastic across HP's personal systems and print product portfolio	2025
	Eliminate 75% of single-use plastic packaging, compared to 2018	2025
Lenovo	Have 90% of plastic packaging made from recycled plastics for notebooks, desktops, and workstations	FY 2025/2026

Circular product design and repairability

Although wear and tear are unavoidable, discarding nearly functional products should not be. In 2024, SHI sold 60,000 end-user devices across 50 product categories, including smartphones, laptops, mini PCs, and more, assessed by iFixit for repairability. Notably, 83% of these devices, covering 32 different products, achieved a repairability score of over 5 out of 10. SHI is dedicated to helping customers procure IT devices with longer lifespans and better repairability.

Broader sustainability solutions



ITAM sustainability solutions. SHI's ITAM sustainability solutions are designed to save energy, cut costs, and reduce carbon emissions from data centers. SHI analyzes the performance and energy usage of IT hardware, identifying underperforming servers and recommending cost-effective, energy-efficient alternatives. Our solutions can reduce energy costs and carbon emissions by up to 60 -75% while enhancing computing power. Additionally, we provide essential calculations for scope 2 and 3 emissions for regulatory compliance, prepare for future data demands, optimize server efficiency, and deliver ROI through our advanced tools and expertise.



Protecting identities and assets (cybersecurity). In today's rapidly evolving digital landscape, cybersecurity plays a vital role in safeguarding identities and assets, ensuring resilience against external threats and supporting everyday life. Through our subsidiary Stratascale, SHI serves as an authorized channel for delivery of comprehensive cybersecurity solutions designed to manage cyber risks and prevent business disruptions. By quantifying risks, SHI aids strategic planning and reporting while developing robust cybersecurity programs that seamlessly integrate people, processes, and technology. We help customers navigate complex vendor ecosystems, enabling informed decisions about consolidation and emerging technologies. Furthermore, SHI fortifies defenses through offensive security programs and operationalizes risk registers to bolster cyber resiliency, creating a secure digital environment for all.



Software for sustainability management. As part of our comprehensive software portfolio, SHI offers solutions designed to collect and manage sustainability data. In 2024, we sold subscriptions to innovative software solutions that automatically consolidate corporate energy and sustainability data, ensuring data accuracy, enhancing data coverage, tracking sustainability goals, performing carbon accounting calculations, and facilitating regulatory compliance. These solutions enable energy, water, waste, and emissions data tracking.

Sales enablement for sustainability

To support our customers in their sustainability journeys, in alignment with SHI's customer engagement target on climate, our ESG team collaborates with sales leads to develop tools that facilitate meaningful conversations on sustainability. For instance, we piloted a tool with a few customers to estimate the lifecycle carbon emissions of the hardware products we sold to them, enabling more informed procurement decisions. By leveraging our supplier sustainability due diligence program, we provide customers with detailed vendor information based on material impact parameters. Additionally, our ESG team keeps sales teams updated on the latest sustainability news and resources.



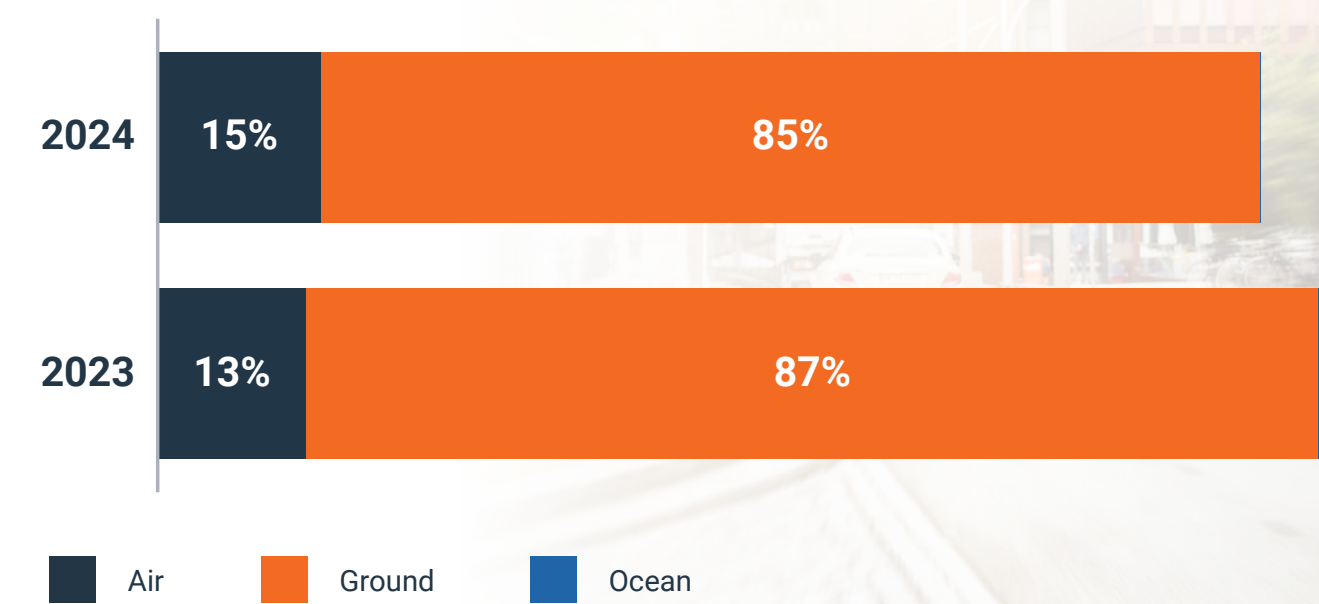
Responsible delivery

SHI delivers physical products to our customers through various channels, including shipping from SHI’s warehouses, direct shipping from OEMs to customers, or shipping via distributors on our behalf. When shipping to and from SHI’s warehouses, we collaborate directly with logistics companies that are committed to sustainability.

Our distribution and logistics partners are committed to reducing their carbon footprints and enhancing sustainability. 99.8% of shipments to or from SHI warehouses were handled by logistics providers with climate targets. Additionally, 58.2% of these shipments were performed by companies with established science-based targets. For example, UPS and FedEx are leading the way in achieving carbon neutrality, with UPS targeting 2050 and FedEx aiming for 2040. They are expanding their electric vehicle fleets and optimizing energy use to meet these goals. They also focus on right-sizing and sustainable packaging practices.

Many of SHI’s direct logistics providers are participants in the U.S. EPA SmartWay program, which enables them to measure, benchmark, and improve their performance in air quality and fuel efficiency metrics related to freight transportation. The SmartWay program plays a crucial role in advancing supply chain sustainability by providing tools and resources for companies to improve transportation efficiency.

GHG emissions by mode of transport*



* Includes shipments to/from SHI warehouses and shipments by OEMs and distributors on behalf of SHI; includes well-to-tank emissions and doesn't include emissions associated with storage.