

SHI U.S. conflict minerals statement

The U.S. Securities and Exchange Commission (“SEC”) has adopted rules implementing Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act. These rules require companies listed on the U.S. stock exchange to disclose the extent to which the products they source or manufacture contain “conflict minerals” originating from the Democratic Republic of Congo or adjoining countries in Africa, which are known to support human rights violations and funding to rebel warlords.

The term “conflict minerals” (also known as 3TG) refers to cassiterite, columbite-tantalite, gold, wolframite, and/or their derivatives, including tin, tantalum, and tungsten, without regard to the location or origin of the minerals or derivative metals.

SHI International Corp. (“SHI”) is a global value-added reseller and provider of IT solutions with a portfolio of commercially available hardware and software products manufactured by other companies. SHI, in such capacity, does not directly purchase or source conflict minerals and has no control over the manufacture or design of the products that it resells. Therefore, SHI is not subject to the SEC’s conflict minerals reporting requirements.

SHI, however, recognizes its responsibility to respect human rights globally and to avoid contributing to conflict through its purchasing decisions and practices. To that end, SHI is committed to complying with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (“CAHRAs”), which addresses the following key areas:

- Serious abuses associated with the extraction, transport, or trade of minerals
- Direct or indirect support to non-state armed groups
- Public or private security forces
- Bribery and fraudulent misrepresentation of the origin of minerals
- Money laundering
- Payment of taxes
- Fees and royalties due to governments

While SHI is not able to certify that the products manufactured by its suppliers are conflict-free, SHI is committed to working with customers and suppliers, many of whom are members of the Responsible Minerals Initiative (RMI), to supply products that meet the customer’s specifications and to support efforts to promote transparency in the supply chain. To that end, we take steps to support our customers by requesting, on their behalf, conflict minerals reports (CMRTs) and conflict minerals policies from each affected supplier, evidencing such supplier’s commitment to becoming conflict-free and documenting countries of origin for conflict minerals that it purchases.