



Sustainability and Action 2022 Report



Foreword

On behalf of SHI International Corporation (SHI),
I am proud to share our inaugural 2022 Sustainability
and Action Report.

Throughout our organizational history, SHI has been at the forefront of the ever-evolving technology landscape, helping our customers leverage technology to achieve their desired business outcomes. We pride ourselves on providing world-class support to our customers, and we've also sought to offer the same support to our community and dedicated employees, who together comprise the core of our business.

SHI is committed to operating in an equitable, inclusive, and sustainable manner, and we are excited to provide greater transparency into our key efforts and initiatives in this area.

We have a diverse workforce that truly cares about social impact, our community, and the environment, and collectively have a strong drive to make both internal and external changes. We have had the privilege of engaging with colleagues across the organization to dive deeper into sustainability initiatives and priorities at SHI. From these conversations, my belief is fortified that we have always prioritized our operations together with the needs of our environment and stakeholders.

During our conversations, we have also identified further opportunities for improvement. We have not, to date, been effective at telling our sustainability story externally; many of our wonderful and genuinely impactful initiatives have not been visible to the public. There are also more avenues for cross-department collaboration on priority topics, and we believe that accelerating and expanding our sustainability efforts will drive greater market opportunities and longer-term value for the organization.

Our 2022 Sustainability and Action Report aims to provide a view of our progress and achievements. In a year of growing stakeholder demands and changing regulatory landscape, we remain steadfast in our commitment and approach to sustainability. I am truly excited to present this report to you and look forward to what is to come.



Thai Lee
President and CEO



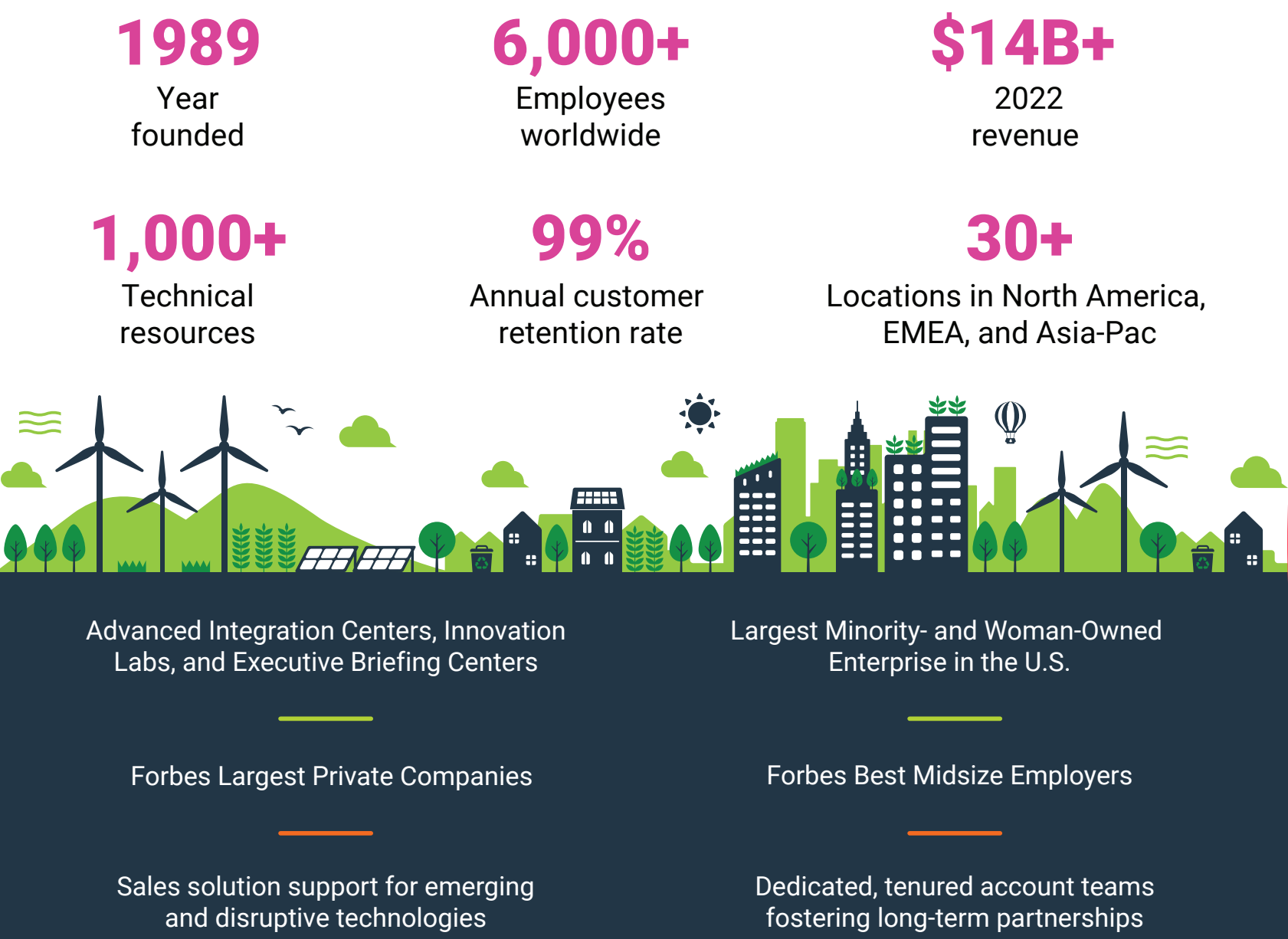
“
SHI is committed
to operating in an
equitable, inclusive, and
sustainable manner,
and we are excited
to provide greater
transparency into
our key efforts and
initiatives in this area.
”

Table of Contents

04	06	07	08	08	17	22	26	27
About SHI	Introduction	A message from the CFO	Sustainability and Action Report	Environmental	Social	Governance	Forward-looking statements	SASB disclosures

About SHI

SHI is the largest privately held Minority- and Woman-Owned Business Enterprise (MWBE) in the U.S. and is a 100% minority-owned company and Corporate Plus member of the National Minority Supplier Development Council (NMSDC). SHI is certified by the New York & New Jersey Minority Supplier Development Council of the NMSDC and is recognized by the 24 other regional affiliates of the NMSDC, including the Canadian Aboriginal and Minority Supplier Council (CAMSC). As a woman-owned business, SHI is certified with the Women’s Business Enterprise National Council (WBENC) and is certified as an MWBE with California Public Utilities Commission (CPUC). Outside of the U.S., SHI is recognized as a 100% owned Woman Business Enterprise (WBE), as certified by WEConnect International, the international and sister affiliate of U.S.-based WBENC.



SHI International Corp. connects clients with information technology (IT) solutions and services to support their organization’s growth, security, and employee experience.

About SHI

Our core values that guide us every day are:

Build a culture

of diversity, equality, and inclusion

Be accountable

and act with integrity

Embrace change

collaborate and innovate

Be resourceful

and cost-conscious

Adapt

persevere and succeed

Learn

grow and teach

Strive for wellness

to achieve balance

Be bold

be fun, behave, and be you



Introduction

Focusing on Environmental, Social, and Governance (ESG) issues is not new to SHI. In fact, ESG has always been integral to SHI’s success. As a minority- and women-led private company with over 6,000 employees globally, we understand the importance of ESG and our impact on our stakeholders. Our strategy aims to identify, address, and embrace key issues faced by our customers, partners, employees, suppliers, and community.

ESG covers a wide breadth of topics. To develop this Sustainability and Action Report and define our ESG strategy, goals, and actions, SHI engaged with internal stakeholders from several business functions, including HR and Talent, Operations, Purchasing, Hardware and Advanced Solutions, and Sales. These discussions were conducted by a third-party advisor to identify the most relevant concerns, which we refer to as ESG Priority Topics. We have also consolidated ongoing ESG initiatives, which will be explored in this report.

In 2022, we formed a dedicated ESG team with cross-departmental collaboration and alignment. This group is led by Chief Financial Officer James Prior, with oversight by our Internal Audit Committee.

The SHI ESG team brings together years of experience engaging key ESG issues within our industry and will be vital to driving long-term value in our operations through the lens of sustainability.

This year marks a defining moment for SHI as we formalize and prioritize ESG within our operations.



ENVIRONMENTAL



SOCIAL



GOVERNANCE

A message from the CFO

This year marks a defining moment for SHI as we formalize and prioritize ESG within our operations and I am proud to be leading our efforts with the SHI team.

Our strategy aims to identify, address, and embrace key issues faced by our customers, partners, suppliers, employees and community with an overarching SHI goal of making consistent improvements each year and to ultimately arrive to a Net Zero Carbon Emission goal in 2050.

We have established a dedicated ESG Project Management Office and a Key stakeholder group throughout the organisation to establish our guiding principles and support our action plans. We are also supported by many sub teams which have a direct influence over our Strategy and Actions with full oversight from our Audit Committee that meet quarterly.

As we have defined our ESG framework, we prioritised the deployment of an ESG Platform to enable seamless collection of Data from Internal and External sources, with the added benefit of providing governance and rigor to our review process and to ensure integrity of our reporting. Furthermore, the platform allows centralised policy management ensuring full auditability and defining cadence for policy updates.

Since 2010, we have voluntarily submitted climate and water security assessments to CDP, and we have also participated in Ecovadis since 2012, both of these independent assessment programs enable us to evaluate and manage our ESG impact and identify where we need to make continuous improvements.

In 2022, SHI formalized our commitment to the United Nations Global Compact (UNGC), which aims to accelerate businesses adoption of sustainable and socially responsible policies and to report on their implementation, the compact is based on defined principles to protect human and labor rights, promote greater environmental responsibility and conduct business ethically.

And most recently, in April 2023, we are now [committed to the Science Based Targets initiative \(SBTi\)](#), a collaboration between four of the world’s most respected environmental organizations, CDP, United Nations Global Compact, World Resources Institute (WRI) and the World Wide Fund for Nature (WWF), to drive ambitious climate action in the private sector. Our enrolment in SBTi supports the Corporate Net Zero Standard for 2050 and ensures best practices are followed in science-based target setting including independent assessment.

SHI is committed to sustainability at a corporate, cultural, and policy level and holds itself accountable for being proactive and solution-oriented in an effort to advance sustainable long-term growth in the world in which we live.

We are committed to:

- Setting targets and action plans to support our UNGC and SBTi commitment and continuously improve our practices.
- Giving preference to partners who have embedded sustainable and ethical practices in their organizations and who drive such practices in their own supply chains.
- Expanding support for our sustainable procurement team, which focuses on supporting diverse and minority suppliers.

We look forward to continuing to support our Customer and Partner programs and initiatives to procure, manage and deliver technology sustainably. We are proud of our efforts and the results that we have achieved to date, and we will continue to improve and to report with integrity and transparency as we move forward.

James Prior
Chief Financial Officer



We have identified eight of the UN Sustainable Development Goals where we can take meaningful action. We are actively committed to supporting their realization.



Environmental

SHI is committed to environmental sustainability and an understanding that we are responsible for our environmental impact.

Setting and implementing global environmental policies, management systems, and key performance metrics enables SHI to continually integrate and drive environmental stewardship in our business groups globally, assuring consistency and innovative environmental thinking.

“

We look forward to continuing to support our Customer and Partner programs and initiatives to procure, manage and deliver technology sustainably.

*James Prior,
Chief Financial Officer*

”



Environmental



2022 Sustainability Recap

Recycled over
315 TONS OF CARDBOARD

RECYCLED CARDBOARD used for packaging

Reduced over
100 METRIC TONS of CO2 emissions

DARK FRIDAYS office buildings limit light, heat and AC

HYBRID WORKERS reduce car emissions and power usage

7,000 SOLAR PANELS generating over 3million kwh p.a

LIFETIME 12.57 gwh generated

25%

SHI Austin

17%

SHI Ridge

EMPLOYEE COMMUNITY GARDEN donates to local food bank

Austin office is **LEED GOLD CERTIFIED**

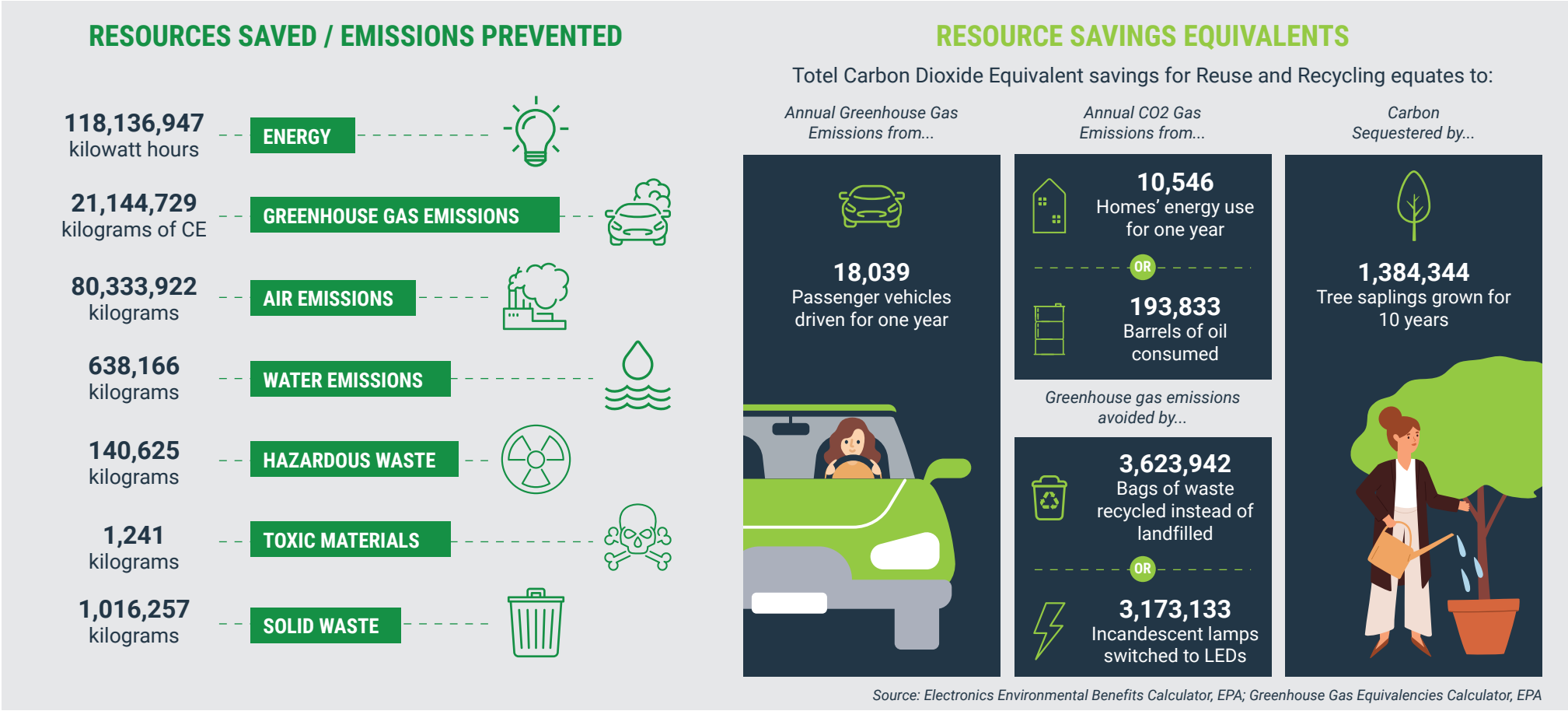
Environmental

Sustainable solutions

Asset Recovery program

SHI partners with leading vendors to deliver our Asset Recovery program. This program helps customers achieve maximum ROI on their end-of-life (EOL) technology while remaining compliant with relevant contracts, legal obligations, and environmental standards.

In 2022, SHI received the ESG Partner of the Year award from Ingram Micro for providing asset recovery services to over 100 customers. The following table demonstrates savings from our program with Ingram Micro in 2022:



Green financing

We offer green financing opportunities in conjunction with industry-leading partners, enabling customers to ethically offset their carbon emissions.

Additional SHI programs for customers

We offer e-waste recycling, hardware redeployment, hardware remarketing, and cloud and data center solutions. See [here](#) for more information.

ASSET RECOVERY

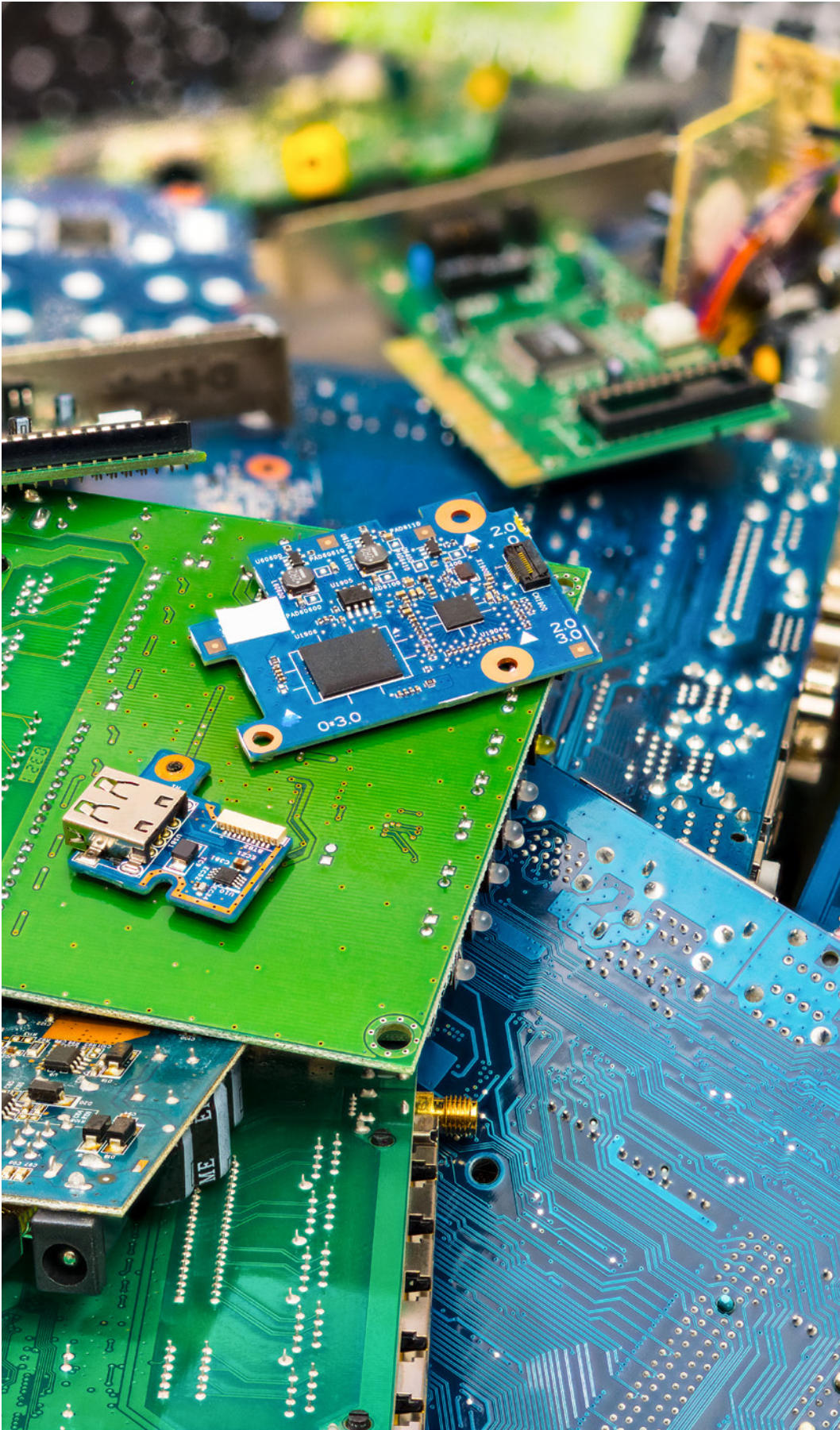
ASSET DISPOSAL

E-WASTE RECYCLING

HARDWARE REDEPLOYMENT

HARDWARE REMARKET

CLOUD AND DATA CENTER SOLUTIONS



Environmental

Environmentally conscious partnerships

We actively demonstrate our commitment to responsible sustainability practices and environmental stewardship by fostering collaboration with our partners. We believe that by working together, we can have a greater impact on promoting sustainable practices within our industry.

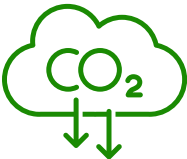
We collaborate with our partners to develop and deliver environmentally conscious solutions. This collaboration involves actively participating in partner groups and forums, where we can collectively contribute to the advancement of sustainable practices. By joining these programs, we leverage the expertise and insights of our partners, align our efforts, and amplify the positive environmental impact we can achieve together.

We take an active role in partner programs and initiatives, such as participating in panels, to provide feedback and help shape future sustainability initiatives to drive the industry towards more responsible practices. This collaborative approach ensures that we are not only focused on our own growth but also on the growth and success of our partners. We recognize that sustainable practices and high-quality end-customer experiences go hand in hand, and by working closely with our partners, we aim to achieve both.

In addition to environmental sustainability, we are also committed to advancing diversity, equity, and inclusion (DEI) initiatives, as well as focusing on ESG factors. We actively collaborate with our partners to drive development in tools, methodologies, and programs that promote DEI and ESG principles. These activities can include implementing channel performance rewards programs, incorporating reporting aspects related to sustainability and inclusion, investing in collaborative efforts, and developing tools that provide data insights to improve business success and strengthen partnerships.



Environmental



Consuming less energy and reducing our environmental footprint

In December 2021, we partnered with En-Power Group to develop a Carbon Reduction Plan. The reduction plan, which details short and medium-term projects, aims to help modernize our facilities and operations with progressive tools to manage our carbon footprint.

Solar energy generation and consumption

Total solar panels (NJ and TX)	7,000
Annual solar energy generation (kWh)	2,900,000
Total electricity consumption sourced from onsite solar energy – Austin	25%
Total electricity consumption sourced from onsite solar energy – Ridge	17%



LEED building certifications



Global HQ (NJ)
Awarded Gold for
Commercial Interiors



Regional HQ (TX)
Awarded Gold for Building
Design and Construction

To conserve water...

SHI has installed water-efficient, low-flow plumbing fixtures, which reduces water usage by 40%. Our Global Headquarters in Somerset, New Jersey, has zero irrigation landscaping, while our Regional Headquarters in Austin, Texas, has implemented systems for rainwater management. Our mechanical systems include highly efficient chillers and associated cooling towers. We have also installed water coolers throughout our offices to encourage employees to use reusable water bottles.



Environmental

To reduce waste...

SHI encourages individual responsibility and supports waste minimization by:

- Ensuring maximum reuse and recycling of materials at all company facilities, including large volumes of cardboard at our integration centers
- Replacing mailed paper documents with digital PDFs
- Establishing target goals for recycling
- Complying with county and municipal recycling regulations
- Recycling toner, computers, and other office equipment according to U.S. EPA guidelines

Additionally, original equipment manufacturers (OEMs) have engaged SHI to drive a circular economy by integrating considerations around sustainable delivery. As a standard practice, we consider the entire lifecycle of a product from device manufacturing, delivery, use, and retirement. We also use environmentally friendly packing materials to ship products from our locations to the customer, consolidating shipments where possible.



To reduce our environmental footprint...

We have continued our hybrid working policy in the post-COVID-19 era, enabling decreased in-office operations and employee commutes. We understand the importance of in-person collaboration while also acknowledging the simultaneous benefits that hybrid working brings to our employees’ physical and mental health.

To reduce emissions...

We have adjusted computer room air conditioning temperatures to reduce electricity usage, customized HVAC schedules and setpoints to better align with space occupancy throughout the day, upgraded to more efficient LED lighting, and added a reduced energy consumption functionality to SHI’s current building management system.

Additionally, approximately 96% of our U.S. product shipments are delivered by logistics providers who have partnered with the U.S. EPA SmartWay program to measure, benchmark, and improve their performance on air quality and fuel efficiency metrics related to freight transportation.

These efficiencies are intended to work in tandem to reduce SHI’s carbon footprint. So far, SHI has reduced its emissions by over 100 metric tons of carbon dioxide equivalent (CO2e).

To further reduce emissions...

SHI is currently evaluating the energy and carbon reductions, associated costs, and potential timelines of these opportunities:

- Upgrading building lighting at our HQ offices
- Retro-commissioning of HVAC systems to allow for more efficient heating and cooling
- Further investments in solar at our Ridge Integration Center



Environmental

Case Study – Barnsley facility

At the end of 2022, SHI opened a new £12M facility in Barnsley in South Yorkshire, England. The Nexus Integration Centre is due to create 150 IT, sales and customer service, administrative, and warehouse jobs in the area and to expand SHI’s ability to deliver advanced IT solutions to U.K. clients. The Centre is also ISO 14001 certified for environmental management. SHI collaborated with TDA Interiors on the responsible office design of this project.

This project was designed to reduce carbon emissions resulting from the transportation of materials, and in tandem, support the local economy by working with contractors in the local areas in the north of England. Furthermore, the project received input from the Barnsley Council and includes adapted designs to protect the local bat population. The site also includes a pond for a protected population of newts. Finally, supporting SHI employees’ physical and mental health and well-being was another priority, achieved by incorporating natural light and fresh air, ergonomic furniture, biophilic design, and disability considerations.

Celeste Lee, SHI’s Senior Vice President of International Business Entities, said, “The opening of the Nexus Integration Centre is another key milestone in SHI’s continuing U.K., European, and international expansion plans. The customized client and data center hardware solutions configured and shipped from Nexus will provide our customers with greater efficiency and availability and reduced cost and shipping times. By bringing these operations in-country, any U.K.-based customer looking for direct oversight of complex integrated solutions can visit the integration center where the actual work is performed.”



“The customized solutions from Nexus will provide our customers with greater efficiency and availability, with reduced cost and shipping times.”

Celeste Lee, Senior Vice President of International Business Entities

Sustainability highlights for Nexus

- **RATINGS AND CERTIFICATIONS**
 - BREEAM rating: Very Good
 - EPC rating: A
 - ISO 14001 certified
- **FRESH AIR CIRCULATION SYSTEM**

installed in place of HVAC in office spaces
- **ELECTRIC VEHICLE BENEFITS**
 - Priority car parking for EVs and multioccupancy vehicles
 - Free EV charging for employees and visitors
- **GREEN DELIVERY PARTNERS**
 - Primary courier: [DHL](#)
 - Specialist same-day deliveries: [Apollo Distribution](#)
 - International logistics: [Maurice Ward](#)
- **EMPHASIS ON WASTE REDUCTION AND RECYCLING**
 - All packaging used at Nexus contains a minimum of 30% recycled materials
 - Packaging infill is primarily paper infill rather than plastic infill
 - Packaging tape is paper rather than plastic
 - We have an onsite cardboard baler, and all waste cardboard is baled and recycled
 - All waste is segregated to separate recycling/non-recycling bins.
 - Waste disposal contractor: [Biffa](#)
- **THERE IS AN ENVIRONMENTAL COMMITTEE**

at Nexus that meets quarterly.

Environmental

Monitoring energy consumption

While energy and emissions reporting is familiar to SHI, we are constantly finding new outlets to improve and provide more accurate, timely, and complete data. As with prior years, we measured our scope 1 and 2 greenhouse gas (GHG) emissions and conducted an energy audit in fiscal year (FY) 2021. GHG emissions by FY are provided in Tables 1-3. The energy audit provided insights into our carbon management across our six New Jersey and Texas facilities. We have also deployed Workiva, a leading software solution for ESG data collection and reporting. We aim to refresh our energy audit in FY23.

We also continue to enhance collaboration between our facilities team and external consultants to drive data collection at SHI. We plan to upskill our facility managers to equip them with the appropriate knowledge for environmental data collection.

During FY22, SHI France’s General Manager and staff, took a first step toward understanding the carbon footprint of our operations utilizing Bilan Carbon, a carbon accounting method created in France in 2004 by ADEME and now supported by the Bilan Carbone Association (ABC). The objective was to measure all the emissions physically necessary for the company’s activity. Through employee surveys, we were able to collect data which provided meaningful insights.

Results illustrate that our operations produce significantly less carbon emissions than the industry average. The carbon economic intensity for SHI France is 124kg of CO2e/k€ of turnover and 2.5t CO2e per employee.

Through engagement our colleagues have an increased awareness of their carbon impact, the following opportunities were identified for carbon reductions:

- Prioritize rail travel over airplanes where possible
- Utilize electric cars where rental is required
- Car pooling, ride shares for business and commuting
- Education on driving in a sustainable manner and decreasing consumption
- Incentives for commuting by Public Transport, Cycling
- Consideration for eating Vegan food for 1 day per week
- Reduce waste and increase awareness for saving energy

United States of America

GHG Emissions for U.S. Facilities, in Metric Tons Carbon Dioxide Equivalent*

Emissions (tCO2e)	2020	2021	2022
Scope 1**	797	1,123	1,224
Scope 2 Location Based**	8,704	8,203	10,636
Total Scope 1 & 2 Location Based	9,501	9,326	11,860

* These emissions are measured across our six New Jersey and Texas facilities.

** Scope 1 includes natural gas only and Scope 2 includes purchased electricity. The calculations use Global Warming Potentials (GWPs) from the Intergovernmental Panel on Climate Change’s Assessment Report 4 (AR4).

France

SHI Carbon Footprint, in Metric Tons Carbon Dioxide Equivalent for France’s Environment and Energy Management Agency (“ADEME”)*

Emissions (tCO2e)	2022
Total Emissions **	298

* The Carbon Accounting method is based on Bilan Carbone® and is aimed at measuring all the emissions physically necessary for a company’s activity, including upstream, production, and downstream activities.

**Total Emissions, Scopes 1,2,3, retail activity excluded.

United Kingdom

GHG Emissions for SHI Corp. UK Ltd, in Metric Tons Carbon Dioxide Equivalent for UK Streamlined Energy & Carbon Reporting (SECR)*

Emissions (tCO2e)	2020	2021	2022
Scope 1 Location Based	0	0	186
Scope 2 Location Based	19	32	44
Scope 3 from business travel in rental cars or employee-owned vehicles where company is responsible for purchasing the fuel or electricity	Not reported	5	23
Total Gross Scope 1, 2 Location Based & Scope 3	19	37	253
Total Net Emissions (accounting for renewable energy purchases)	Not reported	5	228
Total Net Emissions (accounting for Carbon offsets purchased)	Not reported	5	0

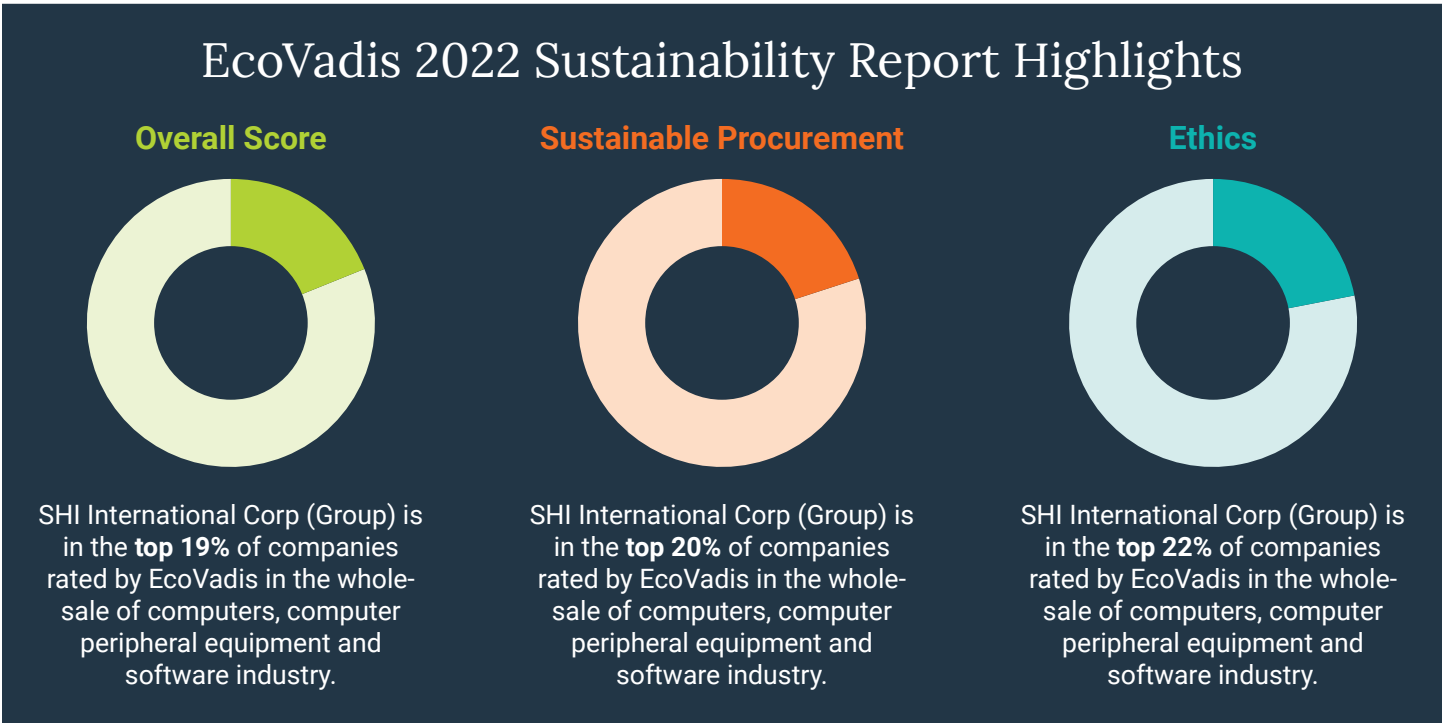
* The boundaries of this report are based on operational control. We report our emissions with reference to the latest Greenhouse Gas Protocol Corporate Accounting and Reporting Standard (GHG Protocol). In accordance with SHI Corporation UK Ltd Companies (Directors’ Report) and Limited Liability Partnerships (Energy and Carbon Report) 2018 Regulations, the energy use and associated GHG emissions are for those within the UK only that come under the operational control boundary. Therefore, energy use and emissions are aligned with financial reporting for the UK subsidiaries and exclude the non-UK-based subsidiaries that would not qualify under the 2018 Regulations in their own right. The 2021 UK Government GHG Conversion Factors for Company Reporting published by the UK Department for Environment Food & Rural Affairs (DEFRA) are used to convert energy use in our operations to emissions of CO2e. Carbon emission factors for purchased electricity are calculated according to the ‘location-based grid average’ method. This method reflects the average emission of the grid where the energy consumption occurs. Data sources include billing, invoices, and the Group’s internal systems. We purchase 100% renewable electricity for our site and have included an additional net emissions figure calculated using market-based factors to account for this in our report above. For transport data under Scope 3 where actual usage data (e.g., liters) was unavailable, conversions were made using average fuel consumption factors to estimate the usage.

Environmental

Voluntary disclosures

Since 2010, we have voluntarily submitted climate change and water security assessments to the CDP platform. CDP, formerly known as the Carbon Disclosure Project, is the leading global not-for-profit charity that runs a global disclosure system for investors, companies, cities, states, and regions to evaluate and manage their environmental impacts. We have also voluntarily submitted our ESG assessments to EcoVadis annually and received a Bronze rating in 2022.

Among EcoVadis’ suggestions for improvement are formalizing and implementing SHI’s sustainable procurement practices and reporting, setting absolute emissions reduction targets and having these verified by the Science Based Targets initiative (SBTi), and increasing the scope of GHG emissions reporting and adherence to the GHG Protocol (or equivalent). As we develop our ESG program in the coming years, we aim to provide more robust submissions to both organizations.



Social

SHI is committed to allowing our exceptional people to be themselves within the workplace and encourages them to share their diverse backgrounds and ideals across the entire organization.

This culture results in world-class support to our customers and workers alike. Without fostering and uplifting a larger community of diverse suppliers, partners, and employees, we would be doing a disservice to those we serve daily.

“

SHI builds a strong, unified community by sharing and celebrating all our unique experiences. When we all listen, share, educate, and empower, we ensure all voices are heard around our table, recognizing first and foremost what we have in common to allow us to achieve success.

*Ellen Mass,
Vice President of Human Resources*

”



Social

DEI Awards and Certifications

NATIONAL CERTIFICATION AFFILIATIONS



certified
WBENC
WOMEN'S BUSINESS ENTERPRISE



NMSDC
National Minority Supplier
Development Council
Advancing Business
Connections that Count

Corporate Plus Member

New York – New Jersey MSDC

WPEO – New York

INTERNATIONAL CERTIFICATION AFFILIATIONS



CAMSC

**Canadian Aboriginal and
Minority Supplier Council**
(Pending Certification, 2023)

Certified
WEConnect
INTERNATIONAL
Women's Business Enterprise

SHI CORPORATION UK LIMITED
SHI Global IT Solutions Ireland Limited
SHI International SAS France

AWARDS AND RECOGNITION



WBENC
NY WBE Connection Award
(WBENC Regional Home Council)



AT&T
Mega Deal Supplier
Diversity Award



**Blue Cross
Blue Shield
Blue Care Network
of Michigan**
Secure Diverse Supplier
Achievement Award



Aflac
Partner of the Year Award
Diversity Supplier Recognition

**CRN UK
WOMEN & DIVERSITY
IN CHANNEL AWARDS 2022**

Gender Parity Award

Nominated by Merck for



FAST★100
USPAACC FAST 100 AS AN AMERICAN BUSINESS AWARD

STATE GOVERNMENT CERTIFICATIONS



STATE OF
DELAWARE



STATE OF
MASSACHUSETTS



STATE OF
MISSOURI



STATE OF
NEW JERSEY



STATE OF
NORTH CAROLINA



STATE OF
TENNESSEE



STATE OF
VIRGINIA



STATE OF
WISCONSIN

18 | SHI Sustainability and Action Report 2022

Social

Key diversity, equity, and inclusion initiatives

DEI initiatives impact everything we do. Internally, SHI considers diversity among multiple facets in employment recruitment and selection, works to provide equity in compensation and benefits, and provides opportunities for professional development and trainings for all groups of employees. This ensures that our work environment fosters respectful communication and cooperation between all employees and promotes high levels of employee participation.

SHI's Key Diversity Initiatives

- Amplifying diverse voices
- Community outreach
- Corporate social responsibility (CSR)
- DEI training
- Employee investment
- Executive support
- Inclusive communication
- Supplier diversity

SHI's employee resource groups (ERGs) enable employees to discuss and influence the inclusiveness and equity of their workplace, reflecting an alignment with SHI's core values.

Our success can only be achieved through the diverse voices comprising SHI's core values. Here, everyone – regardless of background or status – has a seat at the table in determining how to best serve the needs of our customers and communities.



SHI's PLEDGE TO DIVERSITY, EQUITY, & INCLUSION (DEI)

The power of diverse voices and communities to create a more inclusive workplace

WiSH

The WiSH mission is to connect and celebrate the diversity of women in technology. Our goal is to provide events and different forums throughout the year that inspire, empower – and encourage collaboration – among all SHI employees.

EMBRACE

We are here to support one another to find and be the truest, best version of ourselves. We intend to do this through mindful knowledge sharing, community-based resources, and inclusive events and programming.

BLACK CULTURE COLLECTIVE

To uplift, empower, and improve the experience of Black individuals within SHI and the community through leadership, education, professional development, and partnerships with allies.

JUNTOS
LATINX & HISPANIC ERG

Juntos' mission is to build community and belonging at SHI by celebrating Latinx & Hispanic Culture. The committee is committed to providing educational resources, networking, professional development, volunteer opportunities and events.

THRIVE

We are a group of passionate individuals committed to promoting environmental awareness and implementing sustainable practices within our organization and the broader community.

Social

Employee recruitment and training

Attracting, recruiting, and retaining a diverse workforce is essential to our success, providing us with a wealth of skills and ideas, increasing employee engagement, and tying us closer to the clients we serve within our local communities. We are committed to providing an environment of mutual respect where equal employment opportunities are available to all applicants and teammates. Our most important asset is the diverse group of employees who make up our SHI community. We acknowledge and support the collective sum of the individual differences, life experiences, knowledge, inventiveness, innovation, self-expression, unique capabilities, and talent that our employees bring to SHI. In support of these efforts, SHI recruiters attend diversity career fairs, and SHI engages with hiring partners and vendors that are committed to providing equal access to the opportunities available at SHI and that promote diversity and inclusion. [SHI.com](#) and [SHI's Glassdoor](#) pages have content devoted to diverse hiring and a diverse workforce. We are also an equal opportunity employer and comply with all characteristics protected by applicable law.

Additionally, SHI has introduced online DEI training modules for employees within our internal training system to increase employees' awareness and enable productive and honest conversations on sensitive subjects. Some training topics include unconscious bias, leading inclusive teams, and anti-harassment and discrimination. These training modules are required for every employee and must be completed annually. Our training is designed to allow SHI employees to "step into someone else's shoes" with different identities and learn about how others can experience the same workplace in very different ways.



Employee wellness and giving back to the community

SHI employees are provided with two employee wellness days annually and are encouraged to volunteer at initiatives aligned with their interests. Employees are also encouraged to give and volunteer their time outside regular business hours. Our employees are very generous and committed to helping their communities in many ways, such as:

- Participating in blood drives with the American Red Cross and other charities
- Connecting with fellow parents to discuss topics such as dealing with COVID-19 and sending your children off to college at SHI's Parents' Day.
- Celebrating our children during Take Your Child to Work Day
- Recognizing and thanking volunteers (like themselves) who lend their time, talent, voice, and support to causes they care about during National Volunteer Week
- Building homes with Habitat for Humanity
- Raising funds for a local hospital during Robert Wood Johnson Give Back Night
- Raising funds for St. Jude Children's Research Hospital
- Gathering used clothing, shoes, bags, and coats for World of Hope Clothing Recycling
- Participating in bake sales for the Leukemia and Lymphoma Society
- Working in soup kitchens
- Hosting [community gardens](#)
- Donating and participating in food and toy drives

SHI also matches charitable donations by employees, subject to review and approval.



Social



Case Study – Boyd Park beautification

SHI partnered with the [International WeLoveU Foundation](#) (WeLoveU) to beautify the historically rich Elmer B. Boyd Park in honor of Earth Day. SHI employees joined forces with WeLoveU volunteers to pick up waste, decorate trash bins to reduce litter and encourage proper recycling, remove graffiti, and plant seeds for flower growth.

A 2021 Clean Ocean Action report on dumping in parks highlighted that New Jersey parks are experiencing an increase in the dumping and littering of disposable gloves and used masks. While PPE (Personal Protective Equipment) litter has become more prevalent amid COVID-19, litter data still shows that more than 70% of the trash in parks is from single-use plastics such as food wrappers, bottles, caps, and shopping bags. In time, waste not removed from the parks may move into waterways and break down into microplastics, which ultimately end up in our oceans and are unknowingly ingested by both marine life and humans. In response, SHI employees teamed up with WeLoveU, which has over a decade of experience coordinating diverse beach, park, and street cleanups to tackle the issue.



Case Study – SuitUp!

SuitUp programs empower students to discover their passions through experiential learning opportunities and mentorship alongside corporate volunteers. This nonprofit organization leads events nationwide, giving elementary through high school students experience solving a realistic corporate challenge. The students are joined by actual corporate volunteers – like SHI employees and our customers – who coach them on their solutions before they pitch virtually to judges for a cash prize. They have four hours to work on their business idea, proposal, and pitch.

SHI sellers have been able to share their knowledge with students from a variety of backgrounds. At each regional event, we walk students through how to do a SWOT analysis, craft marketing plans, estimate financials, present product designs, and more.



Governance

SHI is committed to corporate governance principles that enable us to outperform and lead the way to sustainable growth.

They provide a framework that defines the roles, rights, and responsibilities of different groups within the organization and SHI's commitment to the environment and society. SHI believes that good corporate governance practices strengthen management and further enhance the public trust SHI has earned from years of operating with uncompromising integrity and doing business the right way.



Governance

Diversity, equity, and inclusion

SHI’s commitment to our DEI principles is upheld and championed at the highest organizational levels, including President and CEO Thai Lee, Senior Vice President of International Celeste Lee, Global Senior Sales Vice President Melissa Graham, and PubSec Senior Sales Vice President Denise Collison, among others.

Our ESG program is sponsored by Chief Financial Officer James Prior and overseen by our Internal Audit Committee, and we have a dedicated ESG director driving our ESG efforts. Our executive leadership continues to have meaningful ESG conversations and acknowledges that ESG is a cross-departmental and collective effort. We aim to integrate ESG in all aspects of our business.

Ethical Code of Conduct and other policies

The SHI Code of Ethics, Anti-Bribery, Anti-Corruption, and Whistleblowing Policy, which applies to all officers and employees, serves as the foundation for high standards of integrity and ethics throughout all levels of our organization, the deterrence of wrongdoing, and the promotion of compliance with applicable regulations. These policies and processes are overseen by General Counsel and are readily available to all employees.



Governance

Cybersecurity

SHI is committed to maintaining the confidentiality of information relative to SHI’s business, its customers, and its employees. SHI’s Information Security and Data Privacy programs comply with applicable state and global data privacy laws, regulations, and information security frameworks, including the California Consumer Privacy Act (CCPA) and European Union (EU) General Data Protection Regulations (GDPR).

SHI continually maintains up-to-date Information Security and Data Privacy programs which consist of secure physical, administrative, and technical controls to protect our systems, networks, and information. SHI’s Information Security Program is aligned with ISO 27001, NIST, PCI, DSS, SOC 2, and Cyber Essentials frameworks. SHI has a dedicated Information Security team to manage all aspects of SHI’s Information Security program, including educating our employees about security risks and the changes being made to reduce those risks. Regular evaluations are conducted to ensure these controls are implemented and effective.

SHI’s dedicated Information Security department oversees the development and implementation of our Information Security program. The department is comprised of three teams: Security Operations, IT Compliance, and Risk and Resiliency. For more information on the responsibilities of these teams, please view our [Information Security and Data Privacy Overview](#).

Risk management

SHI conducts periodic assessments to discover threats likely to have the most significant impact on the organization. This assessment identifies and analyzes the convergence of assets, threats, and vulnerabilities to present a comprehensive risk profile.

The Risk and Resiliency Steering Committee is comprised of SHI’s Executive Leadership Team. The Committee is responsible for establishing SHI’s global strategy for risk management and contributes to all major decisions relevant to operational risk, which include the Business Continuity Program and the Core Team. This group of Committee-designated representatives is authorized to assess and declare a business continuity incident, invoking all or portions of the Business Continuity/Disaster Recovery (BC/DR) Plans. SHI has developed and continuously improves upon detailed Business Continuity and Disaster Recovery Plans for restoring critical processes and operations, including testing of plans that are vital to the program. SHI has dedicated resources to support its contingency planning, disaster recovery program, and incident response.

Key features of SHI’s planning process include:

- Alternate physical site location and preparedness
- Human capital resource planning and coverage models
- Network and telecommunications accessibility
- Cybersecurity incident response and management
- Critical system backup and recovery
- Supplier/third-party partnerships and agreements

SHI’s Risk Management framework and processes follow ISO 31000. Our policy provides guidance on the characteristics of effective and efficient risk management, communicating its value and explaining its intention and purpose. SHI performs third-party assessments of its operational vendors to evaluate their control environments against SHI standards and accepted information security practices.



Governance

Supplier Diversity Program and stakeholder requirements

SHI is committed to economically strengthening diverse-owned businesses. Through our Supplier Diversity Program, SHI builds and maintains relationships with diverse-owned companies to meet the expectation of diversity as one of SHI's core values. Our Diversity team focuses on identifying opportunities for qualified diverse suppliers. Our supplier database gives the team access to nearly 2,800 diverse-owned businesses that have registered with us and specialize in providing an array of IT products and services, including professional services, manufacturing, installation facilities, contingent labor, and consulting.

SHI also strives to meet stakeholder ESG requirements. We are constantly engaged in conversation with various stakeholder groups to help prioritize ESG topics and initiatives.

Regulatory disclosures

SHI adheres to global regulatory disclosure requirements. As a private company, we are subject to fewer disclosure regulations than a public company; however, we promptly submit data requests to regulatory bodies around the world. Examples include France's mandatory carbon disclosures and the U.K.'s mandatory gender pay gap reporting. In addition to regulatory disclosures, we also submit voluntary disclosures to EcoVadis and CDP, as outlined in the [Environmental section](#).

Gender Pay Gap Report

SHI Corporation UK Limited recently conducted its first gender pay gap report in accordance with the UK Government's regulations. Whilst this was the first public release of the report, SHI have been internally monitoring and reporting on gender pay equality for some time. As a global organization and the largest Minority-and Woman Owned Business Enterprise in the US, SHI is committed to achieving pay equality across all operations. View our [Gender Pay Gap Report](#).



Forward-looking statements

As detailed in this Sustainability and Action Report, ESG is not new to SHI. We constantly seek new ways to drive longer-term value in our operations and among our stakeholders. In the coming years, we look forward to implementing a range of ESG practices across our global company.

Facility improvements

SHI has scheduled facility improvements to reduce our carbon footprint. These improvements are described in detail in the [Environmental section](#), beginning on page 12.

Commitment to the Science Based Targets Initiative (SBTi)

SHI has [committed to setting SBTi-approved near-term and net-zero targets](#). We are currently working with third-party advisors to develop and submit these targets.

Following GHG processes

SHI aims to implement best practices for carbon data collection in alignment with the Greenhouse Gas Protocol.



Appendix:

Sustainability Accounting Standards Board ("SASB") Disclosure

The Sustainability Accounting Standards Board is an independent non-profit organization that sets standards to guide the disclosure of financially material sustainability information by companies. The SASB reporting standards are sector specific, covering ESG reporting criteria for 77 different industries. Each SASB standard defines a minimum set of ESG-related topics that are reasonably likely to affect a company's long-term performance based on the industry it operates within. For SHI, the most relevant industry group is Software and IT Services. Certain accounting metrics within the SASB Standard for Software and IT Services were deemed not material or not relevant based on SHI's business model. These metrics would be explicitly omitted based on allowable justifications by SASB.

Appendix

Table 1. Sustainability Disclosure Topics & Accounting Metrics

Material Topic	SASB Code	Accounting Metric and Disclosure
Environmental Footprint of Hardware Infrastructure	TC-SI-130a.1	<i>(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable</i> (1) Total Energy Consumed – 109,925 GJ (2) Percentage Grid Electricity – 90 % (3) Percentage Renewable – 10% Note: • Energy amounts were converted from kWh to GJ using standard conversion of 1 GJ = 277.8 kWh. The New Jersey and Texas sites totaled 30,537,228 kWh. • Energy consumption disclosed only included facilities in New Jersey and Texas. • Percentage Renewable includes renewable energy from solar panels installed at SHI facilities. Total renewable energy generated from Solar Panels in 2022 is 2,983,402 kWh or 10% of total energy consumed.
	TC-SI-130a.2	<i>(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress</i> (1) Total water withdrawn was 17,030,113 gallons (64,459 cubic meters) in 2022, with 0% from regions with High or Extremely High Baseline Water Stress (2) Omitted – This metric is not relevant to SHI’s operation. Note: • Using the WRI Aqueduct tool, SHI determined that their locations with water metrics (addresses in New Jersey and Texas) do not fall in the High or Extremely High Baseline Water Stress range. • New Jersey locations are Medium – High (20-40%) • Texas locations are Low – Medium (10-20%)
	TC-SI-130a.3	<i>Discussion of the integration of environmental considerations into strategic planning for data center needs</i> Omitted – This metric is not relevant to SHI’s operation.

Appendix

Table 1. Sustainability Disclosure Topics & Accounting Metrics (continued)

Material Topic	SASB Code	Accounting Metric and Disclosure
Data Privacy & Freedom of Expression	TC-SI-220a.1	<i>Description of policies and practices relating to behavioral advertising and user privacy</i> SHI’s Data Privacy program is compliant with state and global Data Privacy laws and regulations including the California Consumer Privacy Act (CCPA) and General Data Protection Regulation (GDPR). • SHI designates a Data Protection Representative to oversee the Data Privacy program. • SHI regularly engages a multi-national law firm to ensure our policies and procedures remain compliant with updates to Data Privacy laws and regulations. • SHI provides consumers certain rights with respect to their personal information. These rights include the rights to deletion, to be informed, to opt out, to access, to have data portability, and not to be subject to discrimination for the exercise of these rights. • Where SHI has been engaged by our corporate customers to process personal information on behalf of the corporate customer, SHI’s Terms and Conditions include Data Protection Agreements as applicable to the services. • SHI identifies operational vendors with whom SHI shares personal information and signs Data Protection Agreements with these vendors as applicable to the services.
	TC-SI-220a.2	<i>Number of users whose information is used for secondary purposes</i> Omitted – This metric is not relevant to SHI’s operations.
	TC-SI-220a.3	<i>Total amount of monetary losses as a result of legal proceedings associated with user privacy</i> Omitted – This metric is not relevant to SHI’s operations.
	TC-SI-220a.4	<i>(1) Number of law enforcement requests for user information, (2) number of users whose information was requested, (3) percentage resulting in disclosure</i> Omitted – This metric is not relevant to SHI’s operations.
	TC-SI-220a.5	<i>List of countries where core products or services are subject to government-required monitoring, blocking, content filtering, or censoring</i> Omitted – This metric is not relevant to SHI’s operations.
Data Security	TC-SI-230a.1	<i>1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of users affected</i> Omitted – This metric is not relevant to SHI’s operations.
	TC-SI-230a.2	<i>Description of approach to identifying and addressing data security risks, including use of third-party cybersecurity standards</i> See Cybersecurity and Risk Management under Governance section of this report.

Appendix

Table 1. Sustainability Disclosure Topics & Accounting Metrics (continued)

Material Topic	SASB Code	Accounting Metric and Disclosure
Recruiting & Managing a Global, Diverse and Skilled Workforce	TC-SI-330a.1	<i>Percentage of employees that are (1) foreign nationals and (2) located offshore</i> Omitted – This metric is not relevant to SHI’s operations.
	TC-SI-330a.2	<i>Employee engagement as a percentage</i> SHI performs an annual employee engagement through Glint surveys, measuring the two following statements: 1. I would recommend SHI as a great place to work. (Scale of 1-5) 2. How happy are you working at SHI? (scale of 1-5) SHI scored 73% in 2022, up from 70% in 2021. All SHI employees located globally received the survey. Employee Participation in 2022 was 63%, up from 58% in 2021.
	TC-SI-330a.3	Percentage of people managers with one or more racial/ethnic backgrounds: 24% Percentage of people managers who identify as female: 32% Percentage of technical staff with one or more racial/ethnic backgrounds: 60% Percentage of technical staff who identify as female: 10% Percentage of all other employees with one or more racial/ethnic backgrounds: 34% Percentage of all other employees who identify as female: 36%
Intellectual Property Protection & Competitive Behavior	TC-SI-520a.1	<i>Total amount of monetary losses as a result of legal proceedings associated with anticompetitive behavior regulations</i> Omitted – This metric is not relevant to SHI’s operations.

Appendix

Table 1. Sustainability Disclosure Topics & Accounting Metrics (continued)

Material Topic	SASB Code	Accounting Metric and Disclosure
Managing Systematic Risks from Technology Disruptions	TC-SI-550a.1	<i>Number of (1) performance issues and (2) service disruptions; (3) total customer downtime</i> Omitted – This metric is not relevant to SHI’s operations.
	TC-SI-550a.2	<i>Description of business continuity risks related to disruptions of operations</i> SHI has dedicated resources to support its contingency planning and disaster recovery program. Key features of SHI’s planning process include alternate physical site location and preparedness, human capital resource planning and coverage models, network and telecommunications accessibility, critical system backup and recovery, and supplier/third-party agreements. The business continuity management (BCM) program consists of policies that govern the health and validity of the framework. The policies and guidelines align to ISO 22301 and incorporate industry best practices. See Cybersecurity and Risk Management under Governance section of this report for further details.

Table 2. Activity Metrics

SASB Code	Activity Metric and Disclosure
TC-SI-000.A	<i>(1) Number of licenses or subscriptions, (2) percentage cloud based</i> Omitted – This metric is not relevant to SHI’s operations.
TC-SI-000.B	<i>(1) Data processing capacity, (2) percentage outsourced</i> Omitted – This metric is not relevant to SHI’s operations.
TC-SI-000.C	<i>(1) Amount of data storage, (2) percentage outsourced</i> Omitted – This metric is not relevant to SHI’s operations.