



Planet

Reducing environmental impacts of our operations



SHI is dedicated to reducing our environmental footprint throughout our operations and value chain, aligning with our sustainability goals, industry best practices, ISO standards, and relevant laws and regulations. By actively addressing climate change and implementing environmental initiatives within our operations, we enhance the efficiency, resilience, and safety of our organization — earning the trust and appreciation of employees, suppliers, customers, and the broader community. Recognizing that, as a reseller, our direct environmental impact constitutes only a small portion of the entire IT lifecycle impact, we engage with suppliers to promote adherence to environmental standards and assist customers in making informed procurement decisions.



13
CLIMATE
ACTION

Take urgent action to combat climate change and its impacts

Highlights

100%

of electricity consumption was matched with renewable energy

↓ 87%

reduction of Scope 1 and Scope 2 emissions (market-based) since 2023

98%

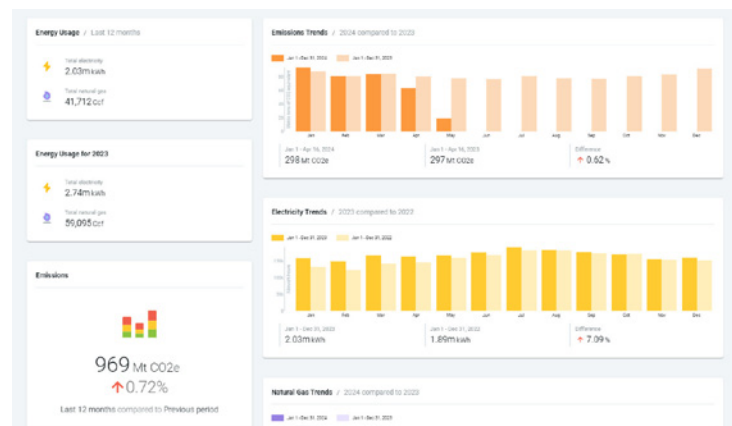
of waste diverted from landfill

Management approach

SHI's approach to climate and environmental management is guided by our Global Health, Safety, and Environment Policy. This policy sets out SHI's commitments and defines measures intended to reduce our environmental impact.

SHI monitors environmental performance on an ongoing basis, reviewing key metrics including energy consumption, water use, waste generation, and emissions. Established processes are in place to document, manage, and address any environmental incidents or non-compliance. No environmental incidents or regulatory fines occurred in 2024 or 2025.

Energy monitoring and audits



SHI utilizes the Atrius system to monitor our energy consumption and associated GHG emissions. This technology provides real-time insights, and the data points are captured directly from utility billing information, reducing the risk of errors. In 2025, we integrated SHI India (formerly Locuz) into the scope of GHG inventory.

In 2024, SHI strengthened our energy

and carbon management practices by commissioning comprehensive energy and carbon audits across 100% of integration centers in both the U.S. and the U.K. These audits provide detailed assessments of energy use, HVAC performance, lighting systems, and building management efficiency, identifying actionable opportunities to reduce operational emissions.

In the U.S., audits were conducted by NORESO at key facilities, including:

- SHI Headquarters at 290/300 Davidson Avenue, Somerset, NJ
- Data Center Factory at Ridge, NJ
- End-User Integration Center in Knox, NJ
- Sales offices in Garza, TX and Bethlehem, PA

In the U.K., audits were carried out under the national ESOS framework at:

- Milton Keynes Regional Headquarters
- Data Centre Factory at Nexus

In 2025, SHI continued to implement energy efficiency measures based on audit findings, further supporting progress toward our climate targets.

Environmental Management Systems

SHI maintains a robust environmental management framework across our operations, supported by the implementation and certification of ISO 14001:2015 Environmental Management Systems (EMS) at all integration centers worldwide.

The adherence to ISO 14001 ensures that SHI meets consistent identification, control, and reduction of environmental impacts across operations. It also reinforces SHI's approach to:

- Regulatory compliance and risk mitigation.
- Continuous improvement of environmental performance.
- Systematic monitoring of KPIs (energy, water, waste, emissions).
- Integration of evolving best practices into operational planning for current and future facilities.

In 2025, SHI achieved ISO 14001 certification for our End-User Integration Center (NJ) and the Data Center Factory at Ridge (NJ), building on the earlier certification of the Data Centre Factory at Nexus (U.K.). As a result, all of SHI's integration centers are now certified to the ISO 14001 environmental management standard.



Climate action

Climate targets and decarbonization plan

SHI is committed to addressing climate change as a significant challenge requiring exceptional commitment, cooperation, and investment from all sectors. Since 2023, SHI has been on a journey to understand and measure our carbon footprint, deliver decarbonization initiatives, define science-based climate targets for the near term, and obtain annual external independent assurance over GHG emissions data.

In early 2025, SHI's science-based climate targets received validation from the Science Based Targets initiative (SBTi). By setting climate targets, SHI fosters a culture of sustainability that extends beyond our operations, engaging and encouraging both upstream and downstream partners on climate.

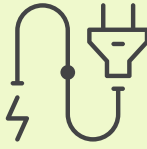
Our near-term target is to reduce absolute GHG emissions from our operations (Scope 1 and 2) by 50% by 2030, compared to our 2023 base year, lowering them to 4,467 MTCO₂e per year. SHI has also committed to reducing absolute Scope 3 GHG emissions from waste generated in operations and business travel by 50% within the same timeframe, compared to 2023 levels, limiting them to 1,573 MTCO₂e per year.

Additionally, we have set engagement targets to ensure that our key suppliers, accountable for 70% of expenditure, will have science-based targets by 2029. This commitment extends to customers generating 13% of our revenue, particularly those purchasing hardware from SHI. Collectively, our absolute and engagement Scope 3 targets cover over 67% of our Scope 3 emissions, in line with the SBTi criteria.

To effectively reduce our GHG emissions, SHI employs a strategic mix of decarbonization levers to support emissions reduction across all scopes, ensuring a comprehensive approach to the climate targets. Some of these measures have already been implemented, and we will continue to build on these actions. We plan to report on our progress against the targets in the next reporting cycles.



SHI's climate targets and decarbonization measures

	Operating our company		Selecting, deploying, and managing IT				Customers using products
	Scope 1 Direct emissions 	Scope 2 Indirect emissions 	Scope 3 Category 1 Purchased goods and services 	Scope 3 Category 4 Transportation and distribution 	Scope 3 Category 5 Waste generated in operations 	Scope 3 Category 6 Business travel 	Scope 3 Category 11 Use of sold products 
Science-based targets	50% reduction of Scope 1 and 2 emissions by 2030 100% electricity matched with renewable energy by 2025*		70% of suppliers by spend have science-based targets by 2029		50% reduction of category 5 and 6 by 2030		13% of customers by spend have science-based targets
Progress in 2025	5% increase of Scope 1 and Scope 2 (location-based) emissions 87% reduction of Scope 1 and Scope 2 (market-based) emissions 100% electricity matched with renewable energy		57% of suppliers by spend (2025) have science-based targets		Reassessing decarbonization strategies		7% of customers by revenue (2025) have near-term targets, and 1% have committed to set targets
Decarbonization measures	- Infrastructure improvements (efficient heating, cooling, lighting) - Hybrid working * Voluntary target	- On-site generation of renewable energy (solar PV) - Purchasing of renewable energy certificates	- Partnering with vendors offering energy-efficient hardware - Monitoring suppliers' participation in the SBTi and engaging key suppliers on climate	Partnering with logistics providers participating in the EPA SmartWay program	- Bundling shipments to reduce packaging volume - Introduction of less carbon-intensive packaging - Increasing share of recyclable packaging	- Promotion of remote collaboration - Matching air travel with traceable environmental attributes of SAF	- Engaging customers on climate via product marketing and communications - Providing customers with lifecycle carbon footprint insights of hardware products

Greenhouse gas emissions profile

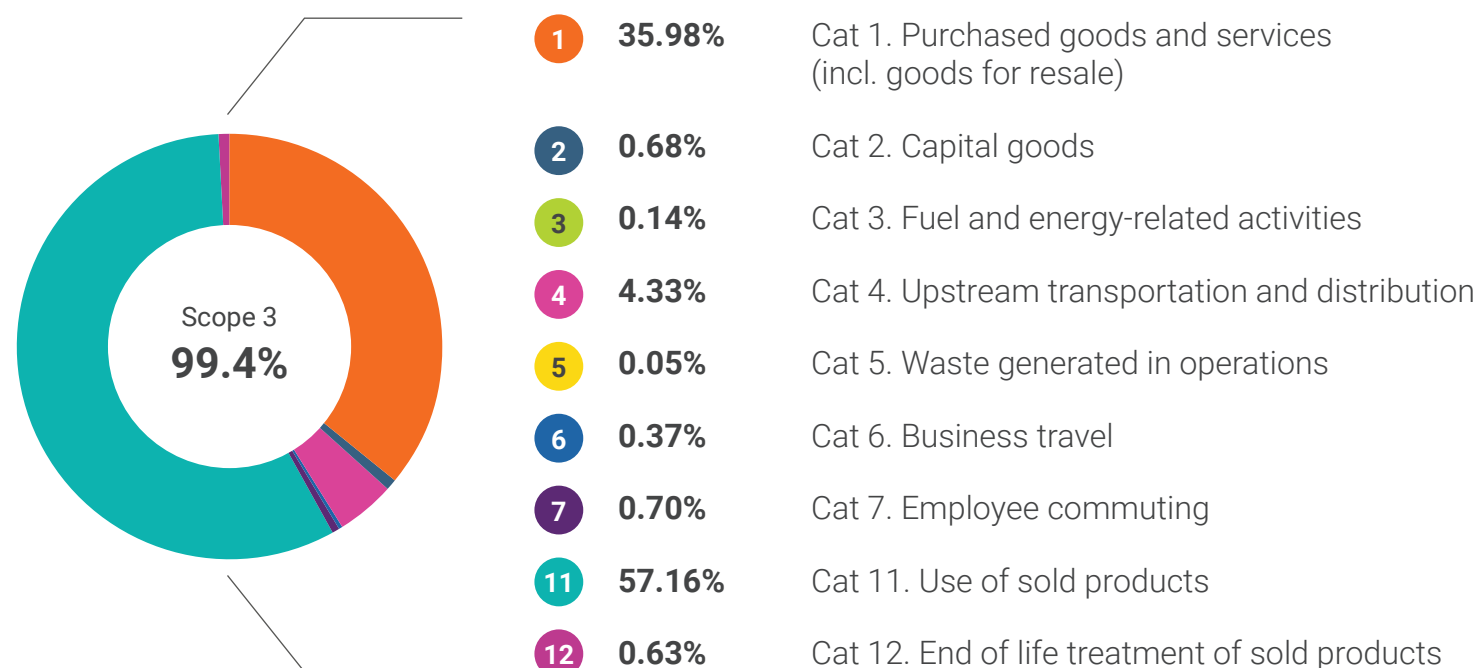
SHI conducts an annual GHG inventory in accordance with the GHG Protocol and our internal GHG Accounting Policy. In 2024, we significantly improved our Scope 3 methodology by adopting an activity-based approach for product-related emissions (categories 1, 11, and 12), expanding and reclassifying the scope of logistics emissions (category 4), and including capital goods (category 2) and upstream energy (category 3) emissions. We also factored well-to-tank transportation emissions in categories 4, 6, and 7. By broadening and refining our reporting, we reported more accurate, but lower, emissions figures. In 2025, we conducted a rigorous review of our emissions inventory for business waste generated in operations (category 5) and business travel (category 6). This review, combined with increased business activity, led to higher reported emissions in these respective categories.

Between 2024 and 2025, SHI's total Scope 1 and 2 (location-based) GHG emissions increased by 5%, while total Scope 1 and 2 (market-based) emissions decreased by 87% due to the matching of electricity consumption with renewable energy. Scope 1 emissions decreased by 5%, and Scope 2 emissions increased by 7% (location-based) and decreased by 100% (market-based), reflecting our commitment to renewable energy. Most notably, Scope 3 emissions decreased by 7%, primarily due to a 16% reduction in the lifecycle GHG emissions of hardware products sold.

Breakdown of GHG emissions by scope



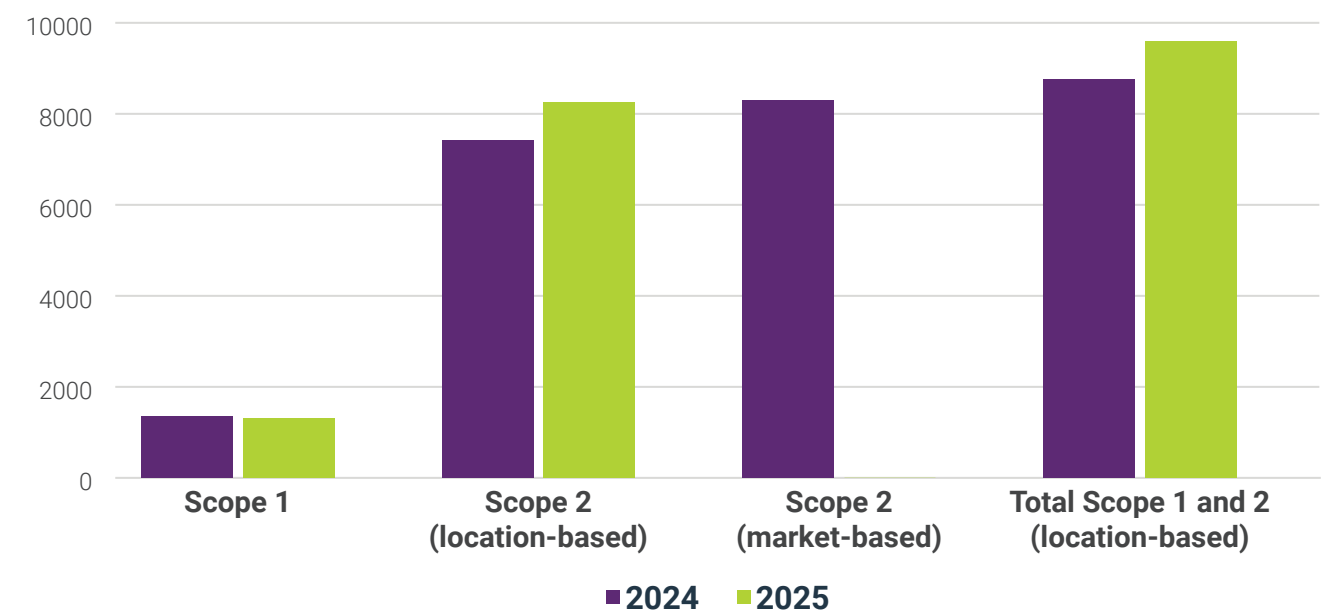
Breakdown of Scope 3 GHG emissions by category



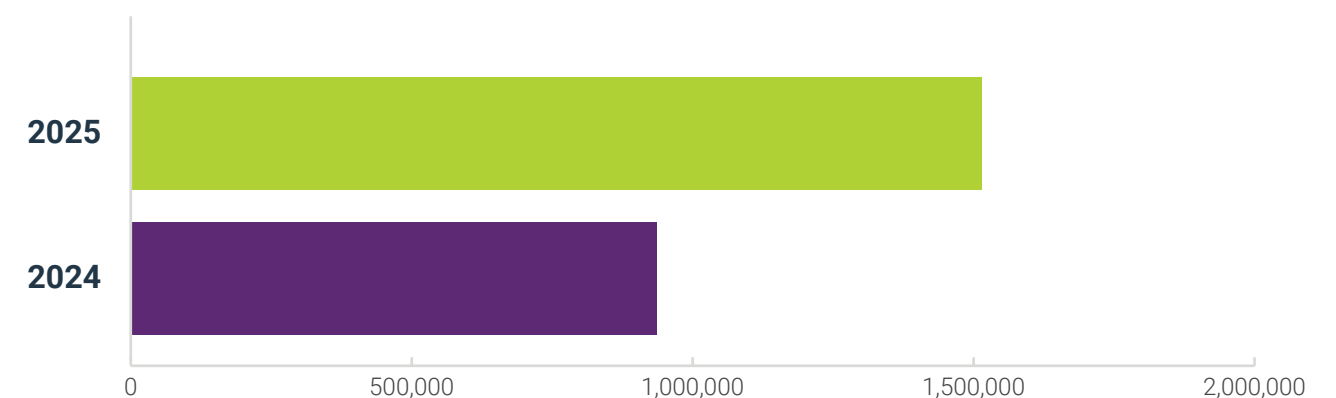
See the [ESG factsheet](#) for more details

GHG emissions, MTCO₂e

Scopes 1 and 2



Scope 3



Emissions reduction measures

Energy efficiency and renewable energy measures

Renewable energy initiatives

In line with SHI's science-based climate targets, in 2025 SHI began matching 100% of our global electricity consumption with renewable energy through the purchase of renewable electricity, on-site generation, and renewable energy certificates, achieving a 100% reduction in Scope 2 (market-based) emissions. The share of renewable energy in the total energy mix was 81%, up from 10% in 2024.

Additional renewable energy milestones include:

- **U.S.:** Ongoing operation of onsite solar arrays at the Data Center Factory at Ridge and Somerset headquarters, which generated 3,340 MWh in 2025, contributing approximately 10% of SHI's energy consumption.
- **U.K.:** Continued procurement of 100% renewable electricity for both Milton Keynes headquarters and the Data Centre Factory at Nexus.

Lighting improvements

In 2025, SHI continued to advance energy-efficient lighting across our global portfolio:

- **U.S.:** In 2024, SHI completed a lighting upgrade at the Bethlehem, PA office, replacing fluorescent fixtures with LED lights equipped with motion-detection programming to reduce unnecessary energy use.
- **U.K.:** At the Milton Keynes office, SHI began replacing fluorescent tube lighting with LEDs as they reach end of life, a multi-year improvement initiative that continued through 2025.
- **India:** SHI India moved into two newly selected environmentally efficient offices in Pune and Delhi, both equipped with LED lighting and energy-efficient split AC systems, contributing to reduced energy consumption in the region.

HVAC efficiency improvements

Between 2024 and 2025, a series of HVAC efficiency improvement projects were implemented across U.K. and U.S. facilities to enhance energy performance, indoor air quality, and system control.

United States

- **290 Davidson** – An automatic fresh air damper system was installed to regulate the intake of cold and hot air, improving temperature control while enhancing overall energy efficiency.
- **300 Davidson** – The building management system was upgraded to the EcoStruxure platform, enabling more efficient HVAC operations by automatically shutting off fan-powered box (FPB) fans when heating is not required, thereby reducing unnecessary energy consumption.
- **300 Davidson** – A new chiller system equipped with variable frequency drives (VFDs) was installed, allowing motors to adjust speed and power consumption in response to demand. As part of this upgrade, all intermediate distribution frame (IDF) air handlers were replaced. The chiller utilizes A2L refrigerant, which has zero ozone depletion potential.
- **300 Davidson** – McQuay air conditioning units were upgraded to provide direct fresh air to office floors, improving indoor air quality and leveraging ambient temperature differences to reduce reliance on mechanical cooling. In addition, all relief fans were replaced with VFD-equipped units to further support energy efficiency.
- **Integrated Controls** – All HVAC improvements at U.S. facilities have been fully integrated into the building management system (BMS), enabling centralized monitoring, optimized performance, and enhanced energy management.

United Kingdom

- **Nexus Data Centre Factory** – Advanced heating and cooling systems continue to be utilized at the Nexus Data Centre Factory. These systems prioritize fresh air solutions over traditional HVAC approaches, supporting improved energy efficiency and reduced environmental impact.
- **Milton Keynes** – A new HVAC system was installed.

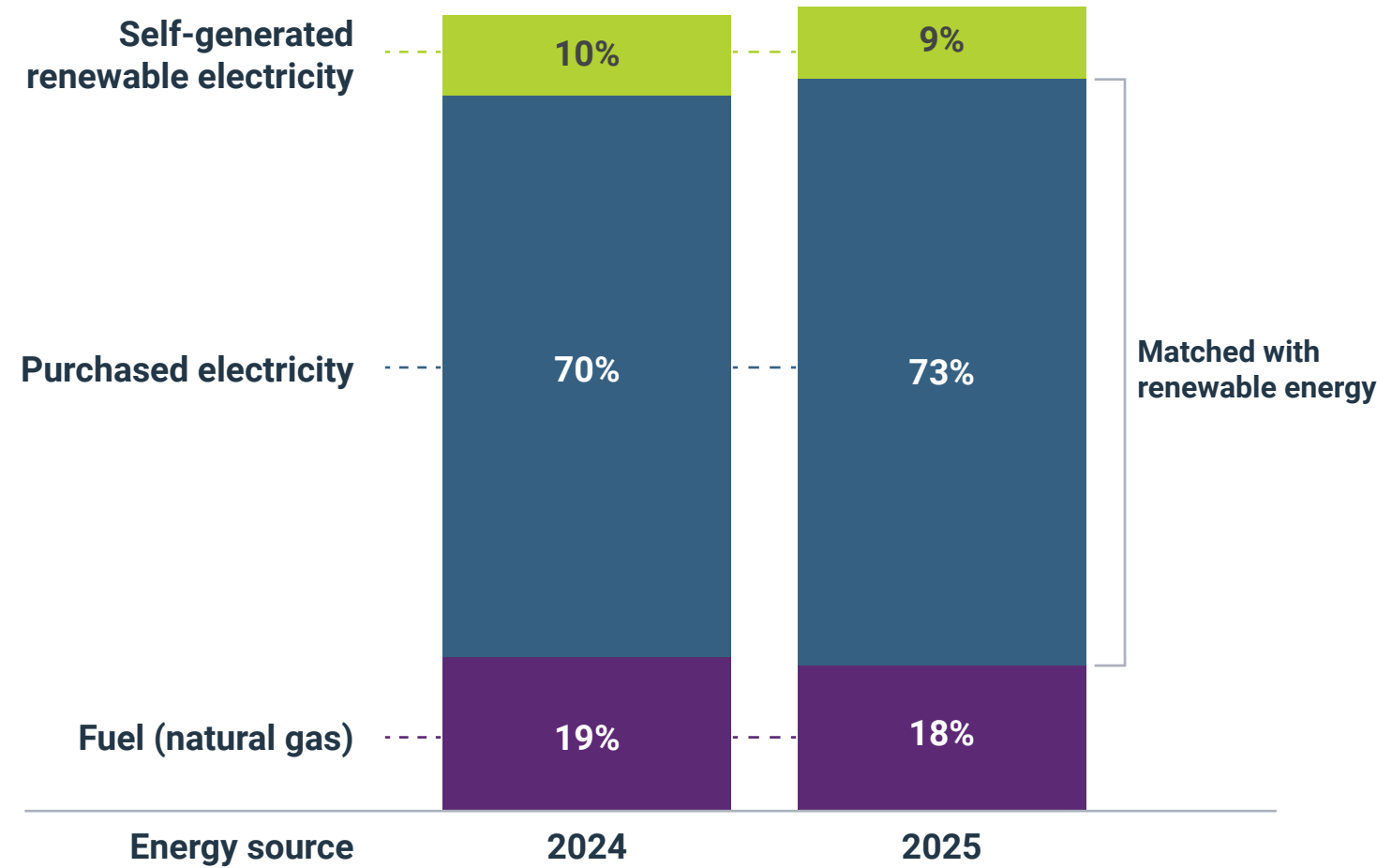
In addition to infrastructure improvements, we use behavior change measures such as energy-related signage and training sessions. Additionally, we regularly share environmental tips with employees.



“In 2025, SHI India moved into two new offices selected with a strong emphasis on environmental sustainability, incorporating LED lighting and energy-efficient HVAC systems. We completed a comprehensive Scope 1 and 2 GHG inventory, along with selected Scope 3 categories. Additionally, we renewed our focus on nationwide anti-bribery and anti-corruption training.”

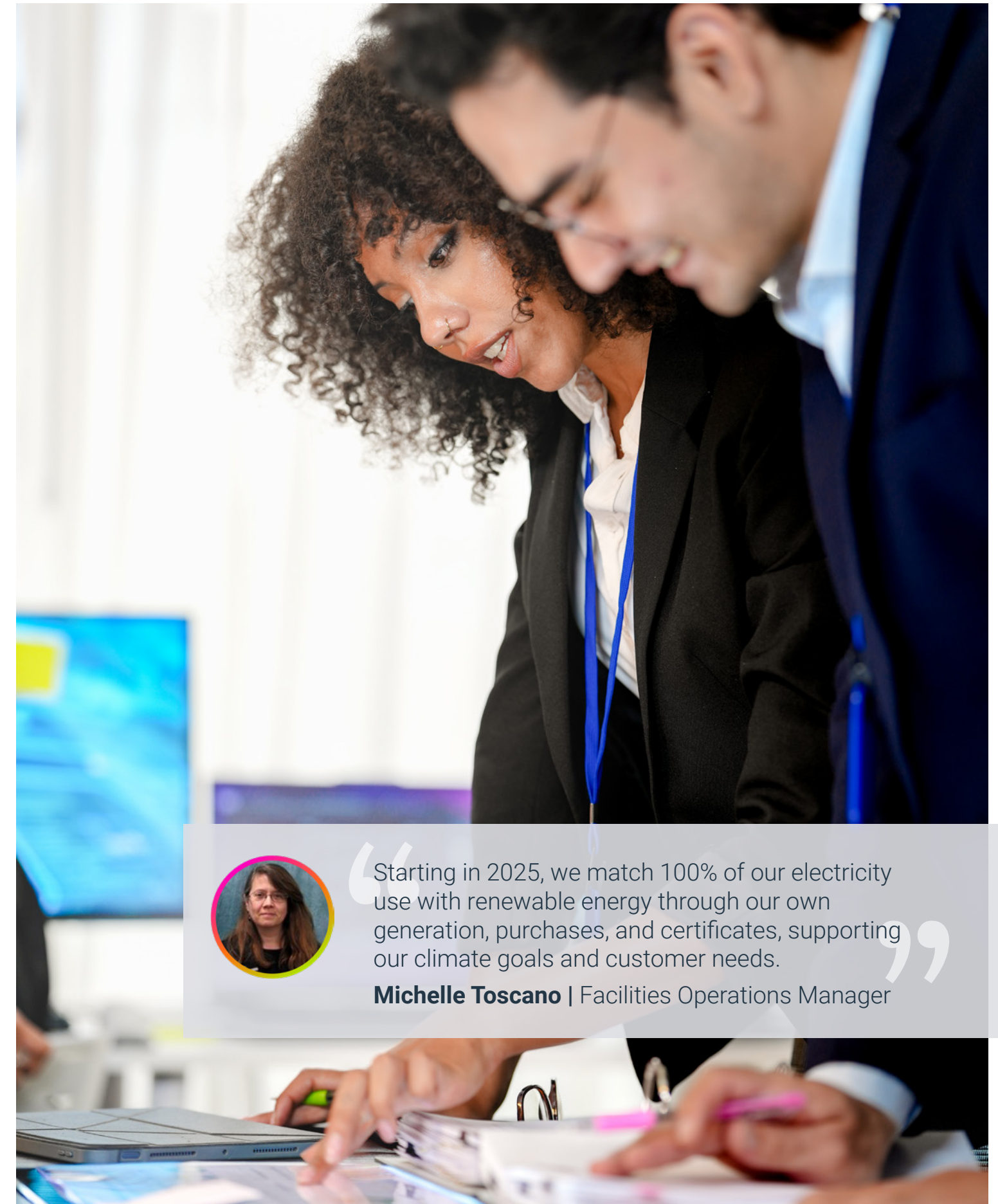
Nipun Majumar | Innovation Centre Lead, SHI India

SHI's energy mix



Hybrid work

SHI maintains a hybrid work policy and uses technology for remote work and collaboration, which supports employees' physical and mental well-being while also reducing our environmental impact. By decreasing office operations and employee commutes, we achieve lower emissions through reduced car usage and power consumption. Additionally, our "Dark Mondays/Fridays" initiative in the U.S., where offices limit lighting, heating, and air conditioning, further contributes to emissions reduction.



“Starting in 2025, we match 100% of our electricity use with renewable energy through our own generation, purchases, and certificates, supporting our climate goals and customer needs.”

Michelle Toscano | Facilities Operations Manager

Environmental stewardship

Water conservation

SHI continues to prioritize responsible water use across our global operations. Water is used primarily for sanitation and hygiene across office environments, as well as liquid cooling within data center operations. As in previous years, all water is sourced from municipal systems and discharged back into municipal treatment networks.

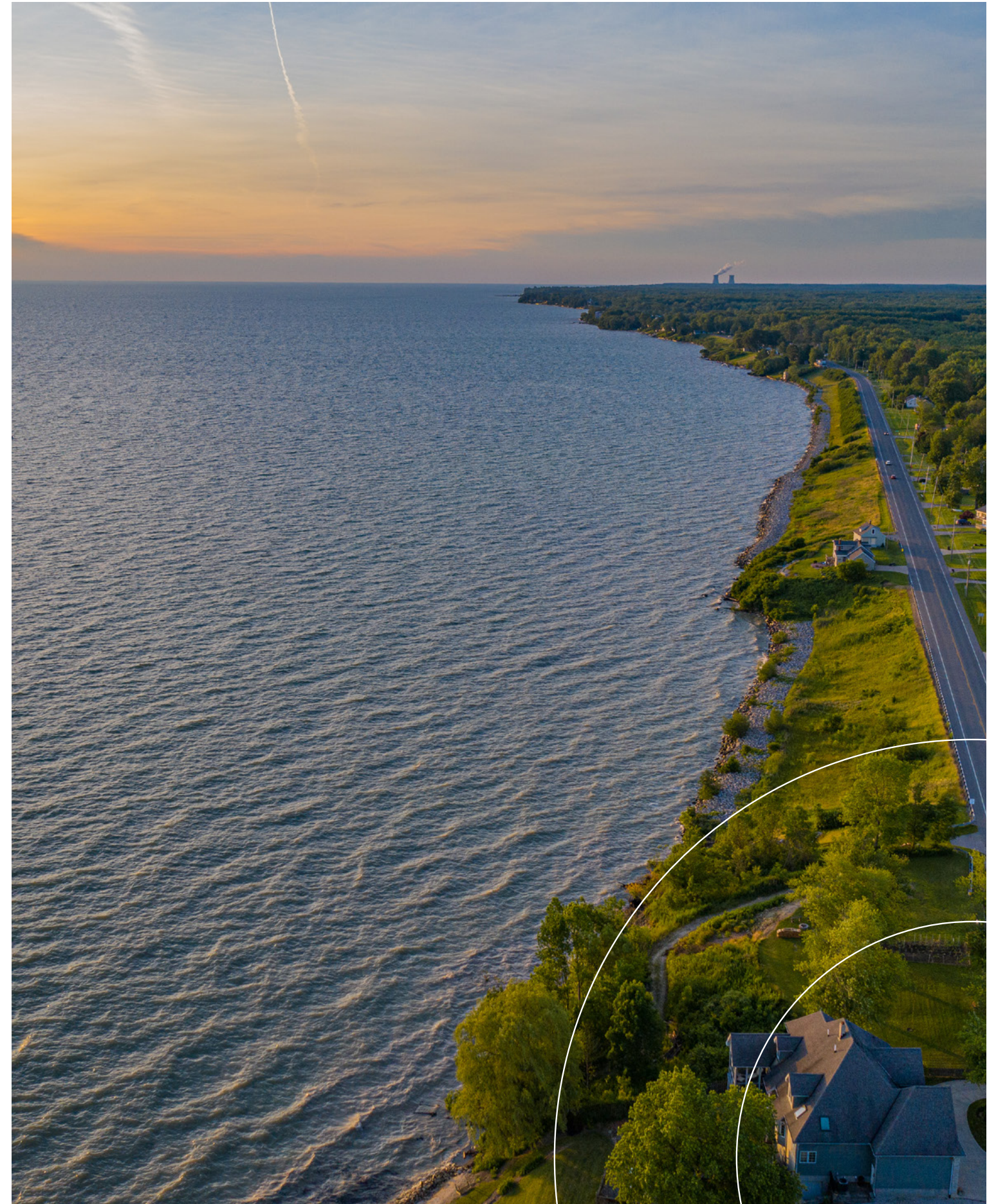
SHI continues to implement water-efficiency measures across its operations. In 2025, we enhanced our accounting methodology to adopt a more holistic approach, improving precision and accuracy of estimations for leased buildings. The 2025 boundary was also expanded to include six additional SHI India offices.

As a result of these methodological changes and expanded reporting scope, SHI recorded a 30.7% year-over-year increase in global water consumption.

SHI's facilities incorporate water-efficient infrastructure such as dual-flush toilets, water-efficient dishwashers, and sensor-operated taps at select U.K. sites. Water interceptors at certain facilities prevent pollutants from entering municipal networks.

Using the WRI Aqueduct tool, SHI confirmed that key U.S. sites (NJ and TX) do not fall within High or Extremely High Baseline Water Stress categories, supporting responsible location-based water management.

SHI India (formerly Locuz) is located in a region identified as "Extremely High" water stress by the WRI Aqueduct tool. However, SHI's India operations are primarily office-based and service-focused, with minimal direct water use. As a result, the physical water risk has limited impact on operational activities, while remaining a monitored environmental consideration. At SHI India offices, recycled or STP water is used for restroom facilities, further reducing reliance on municipal supply.



Waste optimization

Waste generated by SHI's operations mainly consists of e-waste from our own operations, which is disposed of through trusted partners. We also assist customers in recycling or redeployment of their hardware through our ITAD services.

General waste is produced from our routine office activities. In key offices and warehouses, recyclable waste is collected separately, primarily including mainly packaging waste such as cardboard and plastic wrapping. These materials are associated with hardware devices received at our warehouses for customization or assembly before being dispatched to customers. Our OEM partners provide us with bundled packaging and more sustainable packaging materials to minimize the environmental impact of waste. We also separately collect hazardous waste, paper for shredding, and bulk waste.

In 2025, SHI generated 19,364 metric tonnes of waste, a 44% reduction from 2024 driven largely by a 55% decrease in e-waste, which nonetheless remained the dominant stream at 95% of total waste. General waste represented just 2% of the total and fell by 15% year over year, while recyclables increased slightly. Overall, SHI achieved a 98% landfill diversion rate, supported by strong recycling, regulated disposal practices, and improved segregation across offices and integration centers.

SHI also enhances packaging quality to help our customers reduce waste. For example, we use paper filling, cardboard boxes made from recycled materials, fiber-based banding for pallets, and wooden crates and transit boxes for equipment transportation.

National E-Waste Day at SHI HQ

In October 2025, SHI partnered with Ingram Micro to mark International E-Waste Day by inviting employees at our Somerset, NJ headquarters to recycle their personal unwanted electronic devices. The initiative focused on environmental stewardship, promoting the responsible recycling of electronics, which not only keeps hazardous materials out of landfills but also recovers valuable resources for reuse.

During the event, Ingram Micro's engineers collected 233 devices, totaling 0.7 tonnes, ranging from hard drives to televisions. All items were processed for responsible recycling. This effort resulted in saving nearly 1 MWh of energy and preventing approximately 0.7 MTCO_{2e} emissions. Building on this success, SHI plans to host similar e-waste recycling events at additional locations in 2026.



Upstream environmental impacts

SHI recognizes the environmental and social impacts associated with the manufacturing, use, and disposal of IT hardware, including risks related to hazardous substances, resource depletion, air and water pollution, and end-of-life management. As a value-added reseller, SHI does not directly manufacture hardware; however, we address these impacts through:

- **Supplier expectations:** Suppliers must comply with the SHI Partner Code of Conduct and Sustainability Policy, including requirements relating to chemical management, materials safety, and environmental compliance.
- **Customer transparency:** SHI shares all OEM-provided product health, safety, and environmental information, including regulatory guidelines, chemical safety information, and EHS warnings, with customers for 100% of hardware products sold.
- **Product safety reviews:** SHI assessed the health and safety practices of key OEM partners in 2025.

As a VAR, SHI appropriately disclaims warranty liability for third-party products, directing customers to manufacturers for warranty claims.