



DRIVING TOWARD ANOTHER 50 YEARS OF SUSTAINABILITY

Annual Sustainability Report 2024
covering 2023 initiatives

INTRODUCTION

This year Shape Corp. celebrates 50 years of not only existence, but innovation, and is proud to publish its third sustainability report showcasing a year of ongoing care for our earth, team members, customers, and communities. We are proud of the progress we have made and for achieving our 2023 sustainability goals. These achievements will continue to inspire us as we strive for sustainable business practices in the next 50 years and beyond.

OUR OVERALL APPROACH

- Foster an inclusive organization that develops and empowers team members to make a difference throughout their personal and professional lives
- Design, engineer and manufacture automotive components that align with our customers' goals of safer, lighter, fuel efficient, and environmentally conscious products
- Navigate long-term sustainability opportunities through leadership commitment, customer support, team member engagement and supplier relationships
- Drive operational improvements that reduce CO₂ emissions, energy consumption and waste
- Inform stakeholders of our goals, efforts and opportunities to engage in Shape's sustainability journey

CONTENTS

2 SHAPING OUR NEXT 50 YEARS

Letter from Our President
Shape at a Glance

4 ENVIRONMENTAL

Road to Carbon Neutrality
Minimizing our Footprint
Waste Reduction and Recycling
Making an Impact with our Products
New State of the Art Facility in Nýřany, Czech

10 SOCIAL

Safety First
Prioritizing Our People
Fostering Inclusivity
Community Outreach

15 GOVERNANCE

Corporate Responsibility and Sustainability
Ethical Business Practices
Supplier Corporate Social Responsibility Outreach and Partnerships
Reporting Line
Conflict and Extended Minerals
Shape's Operating System

SHAPING OUR NEXT 50 YEARS

On behalf of Shape Corp., I am honored to present our third annual sustainability report, highlighting our accomplishments and commitments from 2023. As we celebrate Shape's 50th anniversary this year, we reflect on the remarkable journey that has shaped us into the organization we are today—one dedicated to sustainable growth, innovation, and responsibility.

2023 was a year of milestones, as we continued to make strides toward our ambitious goal of becoming a carbon-neutral company by 2035. We expanded our global footprint with the opening of a new 36,400 square meter manufacturing facility in Nýřany, Czech Republic. This state-of-the-art complex was designed with sustainability in mind, featuring newly installed solar panels, electric vehicle charging stations, and an overall commitment to efficient and eco-friendly operations. Currently employing 700 team members, the Nýřany facility strengthens our ability to provide world-class solutions to our customers while adhering to the highest standards of environmental responsibility.

Our environmental initiatives have made a powerful impact across our global operations. In 2023, we increased our use of renewable energy, with 42% of our electricity consumption covered by renewable energy credits (RECs). Additionally, through strategic upgrades across our facilities, we have optimized energy efficiency and reduced waste generation, working diligently towards our zero waste-to-landfill goal. Our Shape Excellence System encourages team members to propose sustainability ideas, leading to over 150 implemented improvements that reduce energy consumption, material usage, and waste—reinforcing Shape's commitment to a sustainable future.

At Shape, we recognize that our people are at the heart of our sustainability journey. Through wellness initiatives like our Total Wellbeing Center in Grand Haven, we offer team members access to holistic health services, from success coaching to medical navigation, fostering an environment of well-being and resilience. Our global facilities have adopted similar offerings to ensure that team members in Europe, Asia, and other regions also benefit from



wellness programs, including on-campus fitness centers, local gym partnerships, and access to medical exams, helping our workforce thrive both professionally and personally.

We believe in creating an inclusive environment that empowers each team member to succeed. In 2023, our Inclusion Ambassador Program grew globally, with trained ambassadors at each facility dedicated to fostering inclusivity and cultural awareness. We also advanced opportunities for language-inclusive career paths, exemplified by our Spanish-first production line in Grand Haven, which opens new avenues for Spanish-speaking team members. Across our organization, Shape remains committed to building a workplace where diversity, equity, and inclusion are celebrated and valued.

Our report highlights the incredible progress we have made through the collective efforts of our team members. It reflects our commitment not only to reducing our environmental impact but also to creating a future where sustainability is at the core of every decision we make. As we move forward, we will continue exploring innovative solutions and fostering partnerships that advance sustainable practices both within Shape Corp. and across our industry.

Thank you for your continued support and engagement as we step boldly into the next fifty years with a clear vision of a sustainable future.

Best Regards,

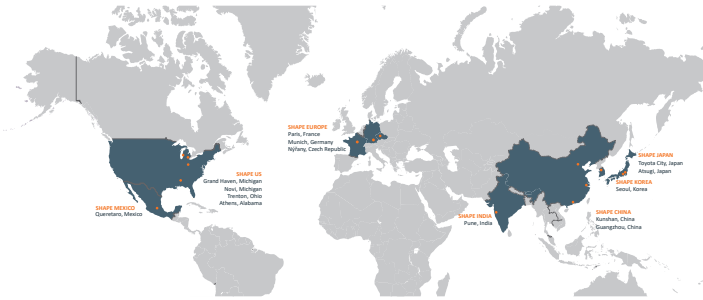
A handwritten signature in black ink that reads "Mark White". The signature is fluid and cursive, written over a light blue horizontal line.

Mark White, President and CEO, Shape Corp.

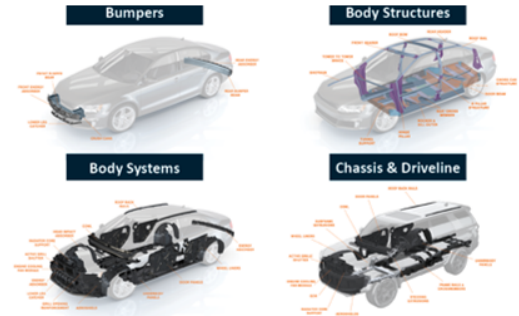
SHAPE AT A GLANCE

Shape Corp. is a global leader in multi-material automotive impact energy management systems and lightweight body structures utilizing advanced, high-strength steel roll forming, tight tolerance aluminum extrusions and large tonnage injection molding. Founded in 1974, the company employs more than 4,000 team members with 25 facilities worldwide allowing Shape to serve customers in North America, Europe and Asia.

GLOBAL FOOTPRINT



PRODUCT PORTFOLIO



PROCESS PORTFOLIO



ENGINEERING PARTNER



FULFILLING OUR PURPOSE

Taking action and working towards a sustainable future is crucial. At Shape, the efforts we undertook in 2023 were innovative approaches to embodying our values and achieving our purpose.



OUR PURPOSE

EMPOWERING PEOPLE TO SHAPE TECHNOLOGY, SHAPE LIVES AND SHAPE COMMUNITIES



OUR VISION

DEVELOPING INNOVATIVE SOLUTIONS THAT MAKE OUR CUSTOMERS' PRODUCTS LIGHTER, SAFER AND MORE FUNCTIONAL AS A GLOBAL LEADER IN MULTI-MATERIAL ENERGY MANAGEMENT



OUR VALUES



RESPECT



DEVELOPMENT



ACCOUNTABILITY



COMMUNITY



EXCELLENCE

ENVIRONMENTAL

From material selection to operational improvements and enhanced environmental management systems, we are strategically reducing our carbon footprint for a healthier future. We continue down the road toward carbon neutrality as Shape focuses on making a difference from the inside out.



ROAD TO CARBON NEUTRALITY

GREENHOUSE GAS EMISSIONS

As we move forward, our commitment to sustainability is reinforced year after year, hence Shape Corp. seeks to expand data collection to encompass all greenhouse gas (GHG) emission sources.

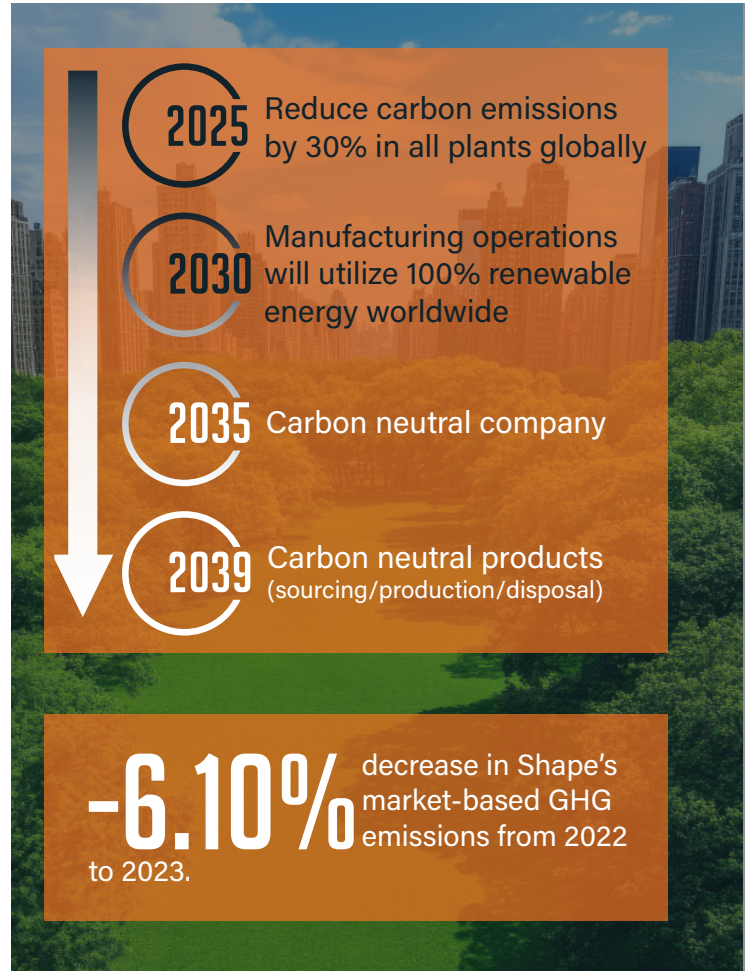
Along with our sustainability and energy management consultant, the Shape team has identified additional emissions sources, developed a system for data collection, and created an ongoing plan to manage and track emissions. For 2023, our total greenhouse gas emissions were as follows:

GREENHOUSE GAS EMISSIONS	CY 2022 MT CO ₂ E (BASE YEAR)	CY 2023 MT CO ₂ E (PERFORMANCE YEAR)	CHANGE
Scope 1	10,481.23	11,082.68	+5.74%
Scope 2 (Location-Based)	44,681.97	48,844.60	+9.32%
Scope 3 (Purchased goods/services)	-	811,398.70	NEW
TOTAL Scope 1, 2 (Location Based)	55,163.21	59,927.29	+8.64%
TOTAL Scope 1, 2 (Market Based)	48,376.63	45,425.63	-6.10%
TOTAL Scope 1, 2, 3 (Market Based)	48,376.63	856,824.41	NEW

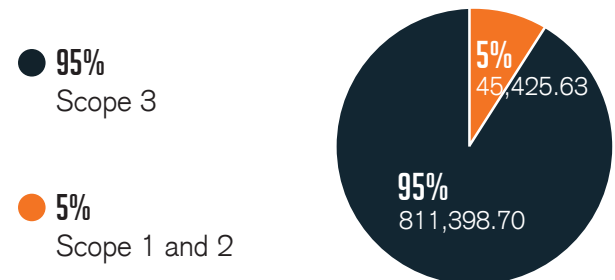
SCOPE 3 EMISSIONS REPORTING

Reporting the results of activities that indirectly affect Shape's value chain is key to identifying GHG emissions reduction opportunities and engaging our suppliers with corporate responsibility and sustainability. In addition to calculating Scope 1 and 2 greenhouse gas emissions, Shape expanded our emission inventory to include Scope 3 emissions from our supply chain goods and services in 2023.

Shape contacted strategic suppliers representing 80% of our global spend to collect emissions data. Fifteen percent of our Scope 3 data was collected directly from our suppliers (primary data).



2023 GHG EMISSIONS	MT CO ₂ E
Scope 1 and 2 (Market Based)	45,425.63
Scope 3	811,398.70



MINIMIZING OUR FOOTPRINT

GLOBAL ENVIRONMENTAL POLICY

Shape Corp. will achieve and demonstrate sound environmental performance and protect the environment by controlling the impact of our activities, products, and services on the environment by:

- Protecting and restoring valuable natural resources (air, water, soil, forests)
- Supporting and conserving biodiversity and animal welfare
- Committing to reusing/recycling,
- Preventing pollution (air, water, soil, noise, waste)
- Compliance with environmental regulations and other interested parties
- Continuous measurement and improvement in environmental performance
- Reducing environmental risk, greenhouse gas emissions (GHG), waste, and natural resource consumption
- Conserving energy and supporting renewable energy
- Responsible chemical management

ENVIRONMENTAL MANAGEMENT SYSTEM

One hundred percent of Shape's manufacturing locations were third party certified to the ISO 14001:2015 Environmental Management System (EMS) standard (Certificate Number EMS 562735) in 2023.

Our EMS serves as a framework to assess Shape's environmental aspects, control and improve our environmental impacts, establish environmental goals and objectives, comply with all legal requirements, and drive continuous environmental improvement.

ELECTRICITY CONSUMPTION

When looking at annual sales, Shape used 14% less electricity in 2023. Shape opened two new manufacturing locations while keeping existing plants operational and achieved our energy reduction targets.

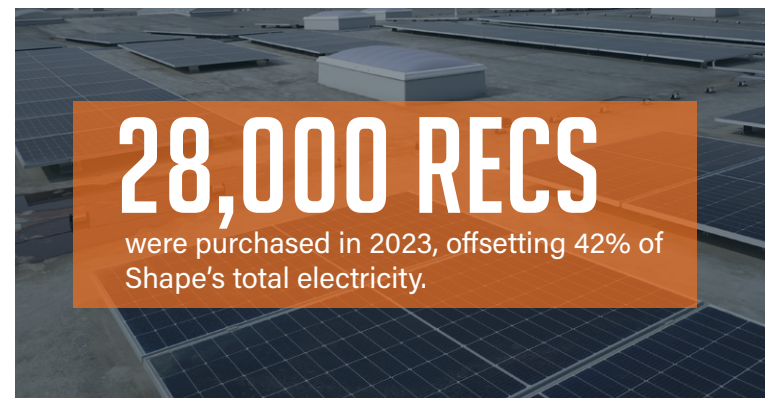


Even as Shape produced and sold more parts, we were able to make progress in our sustainability metrics. In 2023, we were able to reduce global energy consumption, normalized by sales, while adding additional buildings. Shape is in the process of consolidating operations into our new and more sustainable buildings.

RENEWABLE ENERGY

In 2023 Shape purchased 28,000 renewable energy credits (RECS), offsetting 42% of its global electricity consumption.

Solar panels were installed on the roof of our new Nýřany, Czech Republic facility.



WATER CONSUMPTION

Shape's global water consumption decreased by nearly 30 megaliters in 2023 even with Shape's increased sales and production volumes.

YEAR	MEGALITERS OF WATER CONSUMED
2022	274.41
2023	245.15

WASTE REDUCTION AND RECYCLING

ZERO WASTE

Waste management and landfill disposal avoidance remain top priorities. Shape is always looking for ways to reduce, reuse and recycle to work toward our long-term vision of zero waste to landfill. By minimizing waste generation and adopting efficient disposal methods, the company was able to significantly reduce the amount of landfill materials and incinerated wastes, mitigating harmful emissions and reducing potential soil and water pollution.

CLEANER, GREENER, SAFER WATER

Finding new technologies that can impact Shape's carbon footprint, in 2023 Elkay filtered ezH2O bottle filling stations were installed in Grand Haven facilities. These water bottle filling stations are a hydration innovation that filters harmful contaminants, providing cleaner and safer water for all Shape team members, all while helping to minimize plastic bottle waste in the environment. These stations have a ticker that counts disposable bottles saved and encourages people to use them.

LANDFILL WASTE

Shape Corp. sales continued to grow in 2023 and even as Shape produced more parts in more locations, significant progress was made in sustainability metrics. In 2023, the company successfully reduced its total landfill metric tons as a percentage of sales compared to the previous year. This achievement was made possible by enhanced recycling, composting efforts, and improved waste segregation practices.

YEAR	METRIC TONES GENERATED
2022	3,046.39
2023	3,267.55



RECYCLED PRODUCTION SCRAP	2023 TONS
Steel	15,332
Aluminum	14,054
Plastic	618



MAKING AN IMPACT WITH OUR PRODUCTS



DESIGN OPTIMIZATION AND MATERIAL SELECTION

For our core business, which is based on our aluminum extrusion, roll forming, and injection molding processes, we are constantly improving our part production processes to reduce our carbon footprint, achieved through design optimization and material selection.

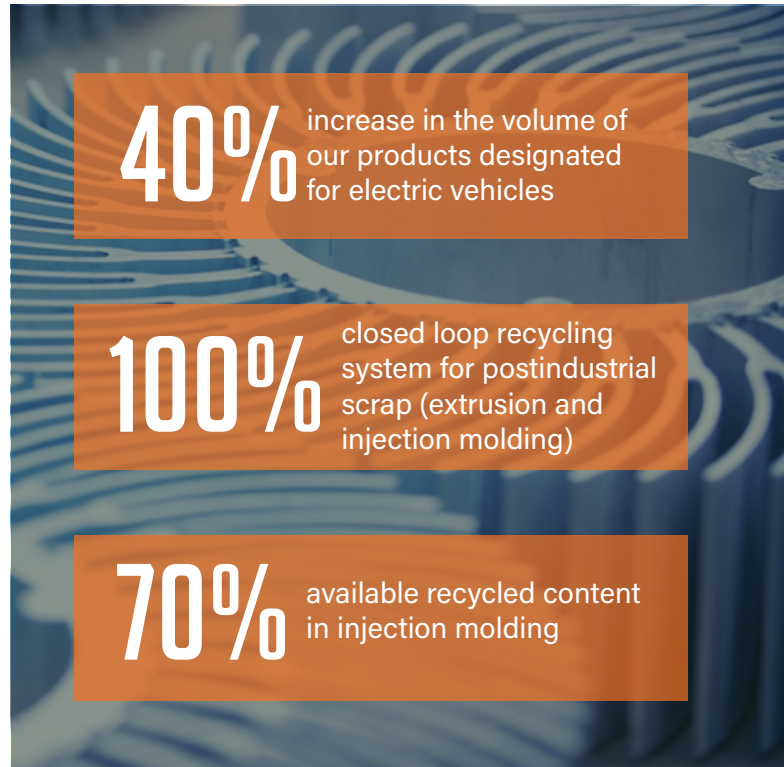
ALUMINUM

In our Aluminum Division sustainability improvements have been accomplished such as:

- Shape has achieved a 100% closed loop recycling system for post-industrial scrap.
- Billet suppliers using up to 100% renewable energy.
- Shape has worked with billet suppliers to create more sustainable billet by utilization of up to 800% more post industrial scrap and reducing CO₂/kg by reducing weight percentage of alloying elements.
- By working up front with our customers on extrusion design and alloy selection Shape has been able to reduce part mass and increase extrusion efficiency. For one customer application part mass was reduced by .9kg over the baseline design. This results in savings of over 1.44M kg CO₂ per year based on a 100k annual program volume. This reduction offsets the average annual tailpipe emissions of 313 vehicles per the EPA or is equivalent to the offset potential of more than 68,000 trees.

INJECTION MOLDING

To boost the positive environmental impact of our injection molding process, we offer products with recycled content of up to 70%. Our resin selection incorporates recycled materials, resulting in a lower carbon footprint during manufacturing with reduced CO₂ emissions.



NEW STATE OF THE ART FACILITY

NÝŘANY, CZECH REPUBLIC



A sustainable facility came to life in September 2023, when Shape opened a 36,400-square-meter manufacturing complex in Nýřany, Czech Republic.

Before its opening, this facility was awarded the BREEAM International NC 2016 certificate with an outstanding overall score of 88.1%, demonstrating its qualification as a sustainable building.

The advanced manufacturing space was built with responsible sourcing of construction products and showcases sustainability performance such as energy consumption, water consumption, sustainable materials, rainwater harvesting, and Energy Star® labeled equipment.

Other sustainable practices for this new facility are:

- Electric vehicle charging stations
- Cycle paths and bicycle parking
- Beehives habitat
- Insects hotel area
- Photovoltaic panels
- Heat pumps
- Pavers were installed in lieu of concrete to allow rainwater to seep into the soil avoiding runoff

The unwavering commitment to sustainability this complex features is reflected in various modern amenities, including an in-house canteen, a fitness center, an outdoor relaxation zone, and an advanced TCL air filtration system for indoor air quality.

Employing 700 people demonstrates this initiative significantly contributes to the local economy and employment landscape and advocates for healthy places and spaces.



SOCIAL

At Shape, we profoundly value our team members, recognizing them as our most crucial assets. Our expansive global presence is an ever-evolving reminder that our company and its members are woven into numerous unique communities worldwide. Upholding our core value centering around respect, we also emphasize inclusion, creating work environments that are diverse and equitable for all.

SAFETY FIRST

OCCUPATIONAL HEALTH AND SAFETY POLICY

Shape firmly believes that all personal injuries and occupational illnesses can and must be prevented. The Occupational Health & Safety (OH&S) of our team members is paramount and there are no other considerations of greater importance.

Shape Corp is committed to an OH&S Management System that:

- **Provides** and maintains a healthy and safe work environment and promotes suitable conditions for the prevention of work-related injuries and illnesses.
- **Establishes** reviews, and evaluates OH&S objectives with clear and measurable indicators. These objectives will guide organizational efforts to improve OH&S prevention and protection measures.
- **Adopts** the OH&S compliance measures dictated by governing legal and regulatory agencies as well as other requirements that the company subscribes to.
- **Maintains** a system of hazard identification which includes: robust risk assessment processes, machinery safety, a commitment to hazard elimination and reduction, as well as provide the appropriate and necessary Personal Protection Equipment for all team members.
- **Manages** the necessary resources to support effective fire prevention in all our facilities and appropriate emergency systems to respond to all emergencies.
- **Evaluates** ergonomic risks that may affect the health of associates, through observations and ergonomic techniques.
- **Guarantees** the proper management of chemical substances by enforcing current regulations as well as the procedures of the environmental management system.
- **Promotes** a culture of OH&S responsibility and support for the OH&S Management System at all levels of the organization and supports OH&S continuous improvement.
- **Guarantees** the participation and inclusion of all team members in OH&S management system and provides the appropriate mechanism for robust OH&S communication.
- **Trains** and educates all team members in maintaining safe and healthy work practices and promotes OH&S policy commitment among team members, suppliers, contractors, customers, and other interested parties.

Shape Corp's Top Management is committed to making this policy effective and the effectiveness of the OH&S Management System. The achievement of this will be ensured through the involvement and responsibility of all team members within the organization.



Shape's global priorities

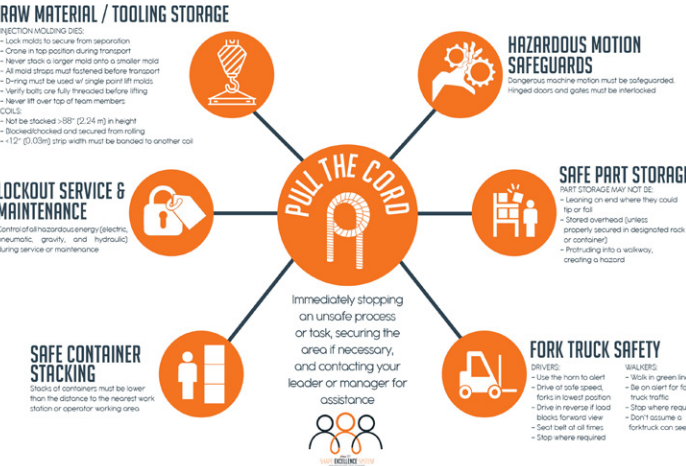
- 1 SAFETY
- 2 QUALITY
- 3 DELIVERY
- 4 COST

listed in order of importance:

SHAPE SAFETY VALUES

- Equipment that is not safe to operate will not run until it is safe.
- Working safely is a condition of employment for everyone.
- There will be no retaliation against any associate for reporting an unsafe condition or behavior.

SAFETY SEVEN



Shape developed the SAFETY 7, which defines the company's top safety and injury risks. Team members encounter these risks daily, and Shape has implemented injury prevention controls to keep them safe. The SAFETY 7 is displayed in each plant to continually remind team members of the importance of these injury control measures.

PRIORITIZING OUR PEOPLE

PROPELLED BY OUR PURPOSE

We prioritize our team, ensuring their development and wellbeing from the bedrock of our operations. Through Shape's volunteer programs and initiatives, we actively contribute to organizations and individuals requiring support, donating our time, talent, and funds across all of our global locations. Our people first approach empowers us to shape not only technology, but also the lives and communities we touch.

NURSE NAVIGATOR

In Grand Haven, our Nurse Navigator program in collaboration with Corewell Health and Priority Health had over 1000 visits throughout the year, significantly reducing unnecessary visits to the ER and identified over \$30,000 in cost avoidance for team members. Roughly 600 team members and their families have joined the new gym, and even more are utilizing similar services in Europe, Asia and India.

In Europe, an on-campus fitness center is available to all employees with weekly classes. In Asia, a partnership with local gyms gives employees free access. In India, employees are offered a reimbursement for the cost of their gym or sports club membership fee. Europe, Asia, Mexico and India also have annual physical and medical exams available to all employees.



200 barriers were addressed for team members including transportation, childcare, food assistance, housing, and more

1000+ Nurse Navigator visits throughout the year

\$75,000 were provided to team members in need throughout Shape Cares initiative in 2023

22 Shape trained Inclusion Ambassadors with at least one at every location worldwide

750+ team members and their families have acquired membership to our onsite gym in Grand Haven, Michigan



FOSTERING INCLUSIVITY

FIRST GRAND HAVEN PRIDE FESTIVAL

For the first time in Grand Haven, Michigan, the Pride Festival came to life where thousands of people across the state gather to celebrate the LGBTQI+ community.

Aiming to support inclusivity and promote community members to feel safe and celebrated in Grand Haven, Shape Corp. participated as one of the top sponsors, a yellow sponsor.

GLOBAL DEIB IMPACT

With a firm belief in the value of diversity in the workplace, Shape continues to look for ways to move the needle in creating fairer and more inclusive environments at work and in our global communities.

Between over 506 internationally renowned companies and ranked among the top 50 DEI employers in the country, Shape China was recognized with the DEI Employer Award by HRFlag for its outstanding performance as

an organization that promotes diversity, equity, and inclusivity in its workplace.

Shape China provided three job positions for disabled individuals to make job opportunities more equitable and by the end of the year they reached a 100% completion rate in their annual Anti-Discrimination & Harassment training.



BREAKING BARRIERS

In Michigan, our Grand Haven facility is continuing to break down barriers to new employees where language is a barrier to employment. Designed to enable Spanish-speaking employees a path towards careers within the Shape family, a production line is designated for those with limited or no English proficiency. These team members now have an opportunity to work in an environment where they can feel supported in their education and involved in company initiatives.

SHAPE CARES

By prioritizing employee wellbeing, Shape strives for a work environment where employees feel supported in their pursuit of a healthy and balanced lifestyle. The Shape Cares Program provides support to team members, in most of our locations, facing unforeseen financial challenges. Here's how it works:

- Referrals to this program come through our Career Success Coach partnership or directly from leaders in their location
- An application is required to expand on what the personal and financial situation of the team member entails. Names and personal identifying information are removed as confidentiality is maintained through the entire process.
- The Shape Cares committee, a diverse group of team members, then meets to review the application and determine level of support.



COMMUNITY OUTREACH

COMMUNITY SUPPORT

Community involvement is crucial to fulfilling our purpose of positively impacting lives and communities. By actively engaging with local residents, organizations, and institutions, we contribute to the well-being and development of the community. This active participation also provides valuable insights and perspectives that enhance our business decisions.

Around the globe, Shape team members volunteered in many activities to positively impact their communities.

At our headquarters in Grand Haven, activities included: coat drives, tree donations, adopting highways, pride festival sponsorship, coast guard run sponsorship, kids' food basket support and the kick off to summer run sponsorship.

At Shape Mexico, the activities spanned from clothes and toy pantries, cancer treatment donations, elder house visits and green activities such as plant and tree donations. The Shape Mexico plant was also recognized with the ELSSA distinctive (Safety and Healthy Work Environment) which is awarded by the government is given to companies that promote wellbeing at the workplace.



\$79,686

were raised through donation campaigns that came from pledges through payroll deduction, plant activities and the company match as part of the United Way partnership. The dollars raised support 49 different non-profit organizations along the lakeshore including the Boys & Girls Club, Harbor Hospice, Girl Scouts, Salvation Army, Mosaic Counseling and more.

4645

hours of volunteer time throughout our locations in the USA, China, Czech Republic, Mexico, India and Japan in 2023.

Shape China focused on charitable activities, such as supporting local fruit farmers, donations to childcare facilities, local river cleaning, and earth day activities.

Shape Czech volunteered in preparing the local zoo facilities for their spring and autumn season, sponsored the Nýřany City Run event as well as cleaning the Memorial in Nýřany.

VOLUNTEERING AS TRADITION

Embedded in our culture and integral to our company's foundation, volunteer time off has been a core part of our identity. At headquarters and in all regions across the globe, we are proud to be known as individuals who dedicate their time to those in need. In 2023, Shape accumulated over 4,057 hours of volunteered time, benefiting communities in the USA, China, Czech Republic, Mexico, India, and Japan.



The background of the page is a blurred photograph of a stage event. In the foreground, the backs of several audience members' heads are visible, looking towards the stage. On the stage, a person in a dark suit is seen from behind, holding a microphone. The stage is lit with blue and white spotlights, creating a bokeh effect of light circles in the background.

GOVERNANCE

Shape believes dedication to exemplary ethical business practices serves the interest of our team members, customers, suppliers and communities. This philosophy also underpins our company's reputation for quality, excellence, integrity and customer satisfaction. Our governance systems and policies enable us to uphold this standard.

CORPORATE RESPONSIBILITY & SUSTAINABILITY

ACCOUNTABLE BOARD

Shape is governed by a ten-member Board of Directors appointed by shareholders annually. The board oversees the company strategy, management of company financials and assets, succession planning, compensation philosophy and corporate governance.

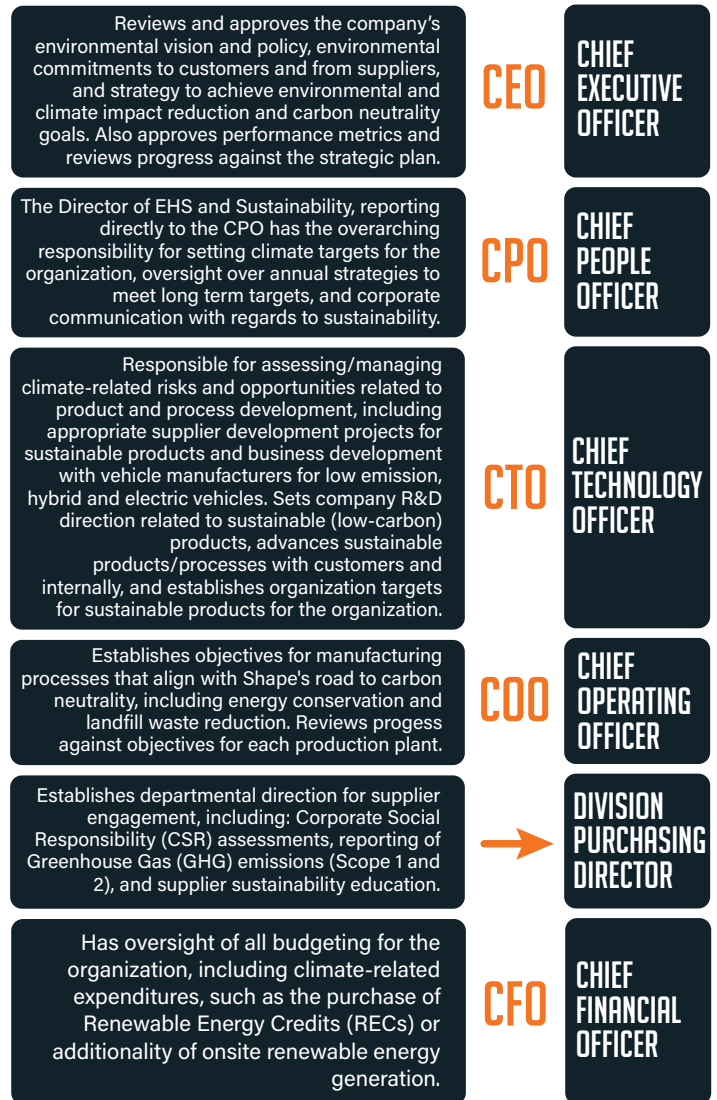
Six of the Directors are independent and four are shareholders. The Board approves the sustainability strategy and receives quarterly reports on progress toward Shape's sustainability goals. The Board also receives quarterly reports on all ethics allegations submitted to management or through Shape's anonymous and confidential reporting system. All allegations are investigated and, if substantiated, corrective actions are implemented. Each case is driven to resolution to achieve 100% response or action results. Incident reports are categorized in a number of ways, including location, allegation type and involved persons, and trend data is reviewed by the Compliance Officer and General Counsel and provided to the Board.

ACCOUNTABLE MANAGEMENT

Shape's management oversight operates through the Global Leadership Team (GLT) with the following members: President and CEO, Chief Financial Officer, Chief Operating Officer, Chief Technology Officer, Chief People Officer, who represent all company functions, and all global division managing directors responsible for the company's profit and loss. The GLT meets every week and takes additional time semiannually to ensure Shape is making progress on our corporate and sustainability goals.



左明浩



IMPROVING OUR IMPACT

IMPROVING OUR IMPACT

Shape has delivered growth and innovation while prioritizing environmental, social, and corporate responsibility. The company also strives to be transparent and accountable. By disclosing the following scores and pushing our targets year after year, we ensure improvement.

NQC

NQC or Supplier Assurance, is a supplier risk management assessment that over the past ten years has pioneered leading supply chain mapping and visualization techniques using purpose designed technology and open-source standards. NQC assess suppliers using the Sustainability Assessment Questionnaire (SAQ) which covers these areas of interest: Company Management, Human Rights and Working Conditions, Health and Safety, Business Ethics, Environment, Responsible Supply Chain Management and Responsible Sourcing of Raw Materials. In 2023, Shape Headquarters scored 84%, increasing 9% from the previous year.

84% NQC score in 2023, representing a 9% increase from previous year



CARBON DISCLOSURE PROJECT

Shape participates in the Carbon Disclosure Project (CDP), a software platform that helps companies disclose their environmental impact, specifically climate change, water security, and supply chain management. This tool allows Shape to identify strengths and weaknesses in our sustainability program. CDP aims to accelerate global action on supply chain emissions by evaluating supplier engagement and recognizing best practices. CPD ranked Shape high in supplier engagement in 2023. Shape will collect Scope 1 and 2 emissions of our strategic suppliers in 2024 to continue to improve.

CARBON DISCLOSURE PROJECT SCORE

	GLOBAL AVERAGE	WATER SECURITY	CLIMATE CHANGE
● 2023	C	B-	C
● 2022	D	C	D

ECOVADIS

EcoVadis is another software platform that reflects the quality of a company's sustainability management and provides customized questionnaires based on a company's industry, size, and location. Shape is one of 2 million companies screened by EcoVadis in 2023 regarding Environment, Labor and Human Rights, Ethics, and Sustainable Procurement. In 2023 Shape's EcoVadis score was 45/100.

SUPPLIER CORPORATE SOCIAL RESPONSIBILITY AND PARTNERSHIPS



SUPPLIER DIVERSITY POLICY

Shape Corp. provides equal access to contracts and business opportunities to all entities capable of meeting the company's needs, and will attempt to procure goods and services from Minority, Veteran, and Woman-Owned Enterprises when possible.



SUPPLIER SUSTAINABILITY SUB-COUNCIL

Shape embraces a leadership role to create a sustainable future for all.

The Shape Sustainability Sub-Council was created with the intent of understanding and lowering Shape's environmental footprint with the help of strategic suppliers. This sub-council is comprised of various manufacturing disciplines that serve as active suppliers to Shape and have exhibited a commitment to reducing their carbon footprint, as they are also interested in benchmarking with others. Each member provides unique insight, opportunities, success stories, and technologies that have and will continue to support one another toward meeting our goal of zero emissions.

In 2023, Shape achieved a diversity spending rate of 9.6%, exceeding the target of 8%. Of this amount, 8.2% was allocated to minority-owned suppliers, while 1.4% was directed towards women-owned businesses.

SUSTAINABLE LOGISTICS

In 2023, Shape partnered with a recycling supplier to ship scrap by maritime on the Great Lakes instead of truck minimizing Shape's environmental footprint to start in 2024.

Maritime transportation provides lower energy consumption and emissions of products harmful to the environment than land, rail, or air transport.

5,000 FREIGHT TONS MUSKEGON TO SAULT STE. MARIE			
METHOD	MILES	CO ₂ PER MILLION TON-MILES TRAVELED	TONS OF CO ₂ PRODUCED
Rail (Via GR)	666	21.2	70.6
Truck	310	154.1	238.9
Barge	560	15.1	42.3

10% of supplier diversity was achieved in 2023 while our target was 8%



REPORTING LINE

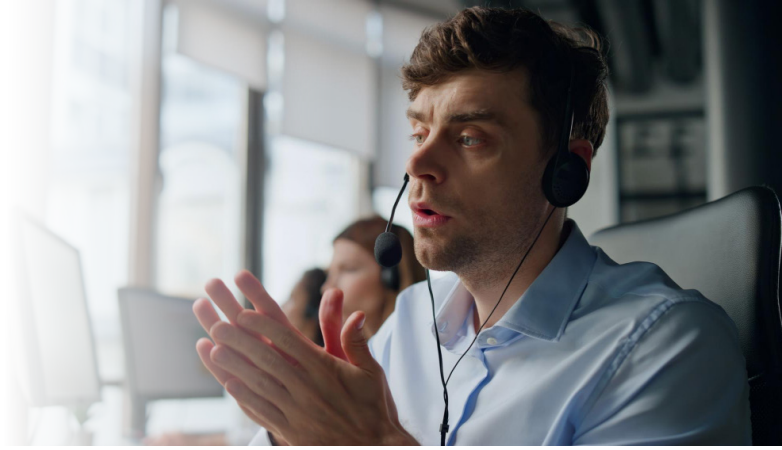
ETHICSPPOINT

Shape is committed to an environment of open communications and encourages team members and commercial partners to speak up.

To create a culture of ethical behavior, integrity, accountability and transparency, Shape provides EthicsPoint, a confidential reporting mechanism through which team members and third parties, such as suppliers or customers, can report ethics concerns anonymously and without fear of retaliation.

EthicsPoint is available 24/7 in 8 languages to be present in every region Shape is located.

<http://www.shape-corp.ethicspoint.com/>



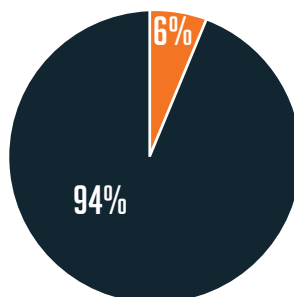
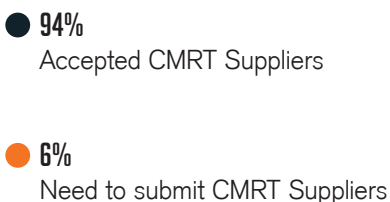
CONFLICT AND EXTENDED MINERALS

Shape expects our suppliers to source responsibly, requiring suppliers to understand where conflict minerals (Tin, Tungsten, Gold, and Tantalum) and extended minerals (Cobalt and Mica) are present in their supply chain, including all smelters of these materials.

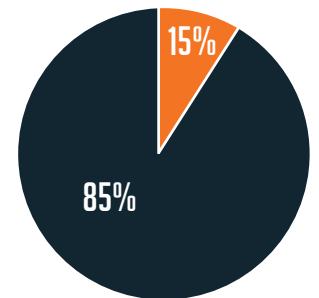
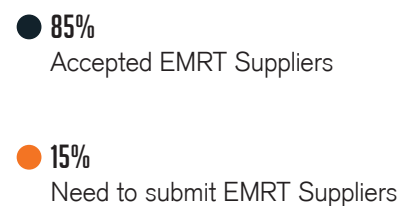
Shape utilizes the iPoint SustainHub declaration platform to facilitate supplier data collection and support customer inquiries.

Two full-time team members are responsible for tracking suppliers' responsible sourcing.

CMRT ANALYSIS



EMRT ANALYSIS



SHAPE'S OPERATING SYSTEM



TEAM MEMBER INVOLVEMENT

Shape's day-to-day operations are governed by the Shape Excellence System (SES), offering a structured approach to empower all team members to be a part of continuous improvement. Sustainability and community are integral to Shape Corp's core values, and we are committed to promoting sustainability initiatives through SES standards, training, and best practices.

All team members have the opportunity to propose ideas for improvement in their work environment. As part of the improvement idea process, we classify submitted ideas according to their impact, which is usually related to safety, quality, productivity or delivery. In 2023 a new category was created to promote green practices, resource-conscious consumption, waste reduction, energy-saving and other related ideas, known as "Sustainability Improvement Ideas".

Regarding our sustainability ideas, we organize two challenges at different times of the year to inspire team members across all plants to brainstorm ways to enhance our environment. Throughout Shape globally, we have developed and put into action over 150 sustainability ideas aimed at reducing energy consumption, material usage, waste generation, and more.

Out of all the ideas implemented worldwide, we chose the top 3 for recognition.

WASTE REDUCTION AT RESIN SILO IDEA

In the Comstock Plant, delivery drivers were filling resin silos with excessive pressure, causing glass fiber to ball up and plug air valves resulted in downtime and wasted material. A pinch valve was installed to limit the flow to silos which eliminated the clogging and waste to landfill (3,700 lbs. every two months).

COMPRESSOR TO HEAT PLANT WATER

In the Nýřany, Czech Republic plant, heat generated by the main compressor is captured and used to create hot water for use in the facility. This reduces electricity consumption, which not only reduces the company's carbon footprint, but also saved Shape Czech over \$51,000 last year.



SUSTAINABLE PACKAGING IDEA

In Shape's Kunshan, China plant, overlapping cardboard folded at the bottom of boxes was creating waste. The plant team reduced the size of the folds at the bottom of the box from 500mm to 300mm, which lessened the quantity of cardboard used and saved the company over RMB 33,000 in 2023, plus benefited the environment by creating less landfill.





THINKERS.
BELIEVERS.
DOERS.

1900 Hayes
Grand Haven, MI 49417
shapecorp.com

© 2024 Shape Corp. All Rights Reserved.