



THINKERS.
BELIEVERS.
DOERS.

BUILDING A GUIDING LIGHT TO A SUSTAINABLE FUTURE

Annual Sustainability Report 2022
covering 2021 initiatives

INTRODUCTION

Shape's inaugural sustainability report aims to capture the overall approach and progress of our efforts that drive long-term, continuous improvement for our planet, team members, customers, industry and communities. The report's structure navigates the environmental, social and sustainable governance aspects of our sustainability strategy, while aligning to reporting standards where possible and best practices across the automotive sector. Collectively, the contents provide a view into Shape's holistic approach to sustainability.

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 lighter, fuel efficient, environmentally conscious and safer products
- Navigate long-term sustainable opportunities through a cross-functional steering committee, customer support, team member engagement and supplier relationships
- Drive operational improvements that reduce emissions, consumption and waste
- Inform stakeholders of our goals, efforts and chances to engage in our journey

CONTENTS

3 LEADERSHIP MESSAGE

5 ENVIRONMENTAL

Highlights
Reducing Emissions
Recycling and Compost
Utility Reduction
Material Usage and Products
Looking Ahead - Partnerships

9 SOCIAL

Highlights
Team Members
Wellbeing
Community
DE&I

13 GOVERNANCE

Highlights
Governance, Compliance, Ethics
Suppliers
Supplier Assurance Management

BECOMING A GUIDING LIGHT

On behalf of our organization, I am proud to share Shape's first-ever sustainability report. As we elevated our commitment to a more sustainable future and crafted this report, we reflect on our vision and purpose of the company - empowering people to shape technology, lives and communities.

In order to make this contribution a reality, we must stay anchored in our purpose. We also relate this work to our core values. Of particular significance our value of accountability - to be accountable for our actions as a corporation and to see this work as necessary to better our surroundings for future generations. As the industry presses forward with sustainable initiatives, while embracing the spirit of excellence and innovation, we see opportunity to lead, to collaborate, listen and improve.

In 2021, leaders collectively defined the most aggressive goals we have ever set as an organization for social, environmental and sustainable governance that influence the decisions we make within our corporate strategy.

Among these goals there is focus on inclusivity and diversity within the workplace. A firm belief in the value of diverse perspective, talent and experience not only strengthens our culture, but enables us to achieve more. In 2020, Shape formed our IAB (Inclusion Advisory Board) to help identify and put into action ways our workplace can be more inclusive. We have since evolved this and are rolling out a new initiative, the Inclusion Ambassador Program, allowing our team members to be strong advocates and lead DE&I efforts across our facilities. Around the globe, we have empowered our teams to invest hundreds of hours in giving back to their communities.

Environmentally we are striving to be a carbon neutral company by 2035. We are tracking our



sustainability performance and taking guided action through various platforms such as Ecovadis, CDP and Foresight. Our customers and suppliers have been incredible partners in sharing their knowledge and supporting our journey.

Within our technology, our aim is to have fully carbon neutral products from material sourcing, intelligent design, through manufacturing and to end-of-life. A significant step in this area includes our material selection as the manufacturing of steel and aluminum drive large volumes of emissions. We are thrilled to partner with various raw material suppliers that are making sustainable change through their own manufacturing processes.

Operationally, we are working diligently daily to ensure incremental and monumental actions are taken to reduce overall consumption, emissions and waste. As we grow, we are aligning to our vision, including industry leading sustainable practices in our new facilities in the U.S. and Europe.

Our sustainability story is expanding and we are excited to share our overall progress, while celebrating our wins and learnings along the way. In the years ahead we look forward to capturing the positive impact our Thinkers, Believers, and Doers, make on our environment and communities we serve.

Best Regards,

Mark White - President & CEO

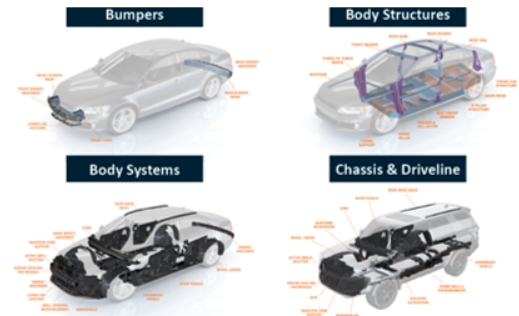
SHAPE AT A GLANCE

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 3,500 team members with 17 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 driving toward a sustainable future is critical, yet at Shape it feels as though our latest efforts are fresh approaches to living our values and fulfilling 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



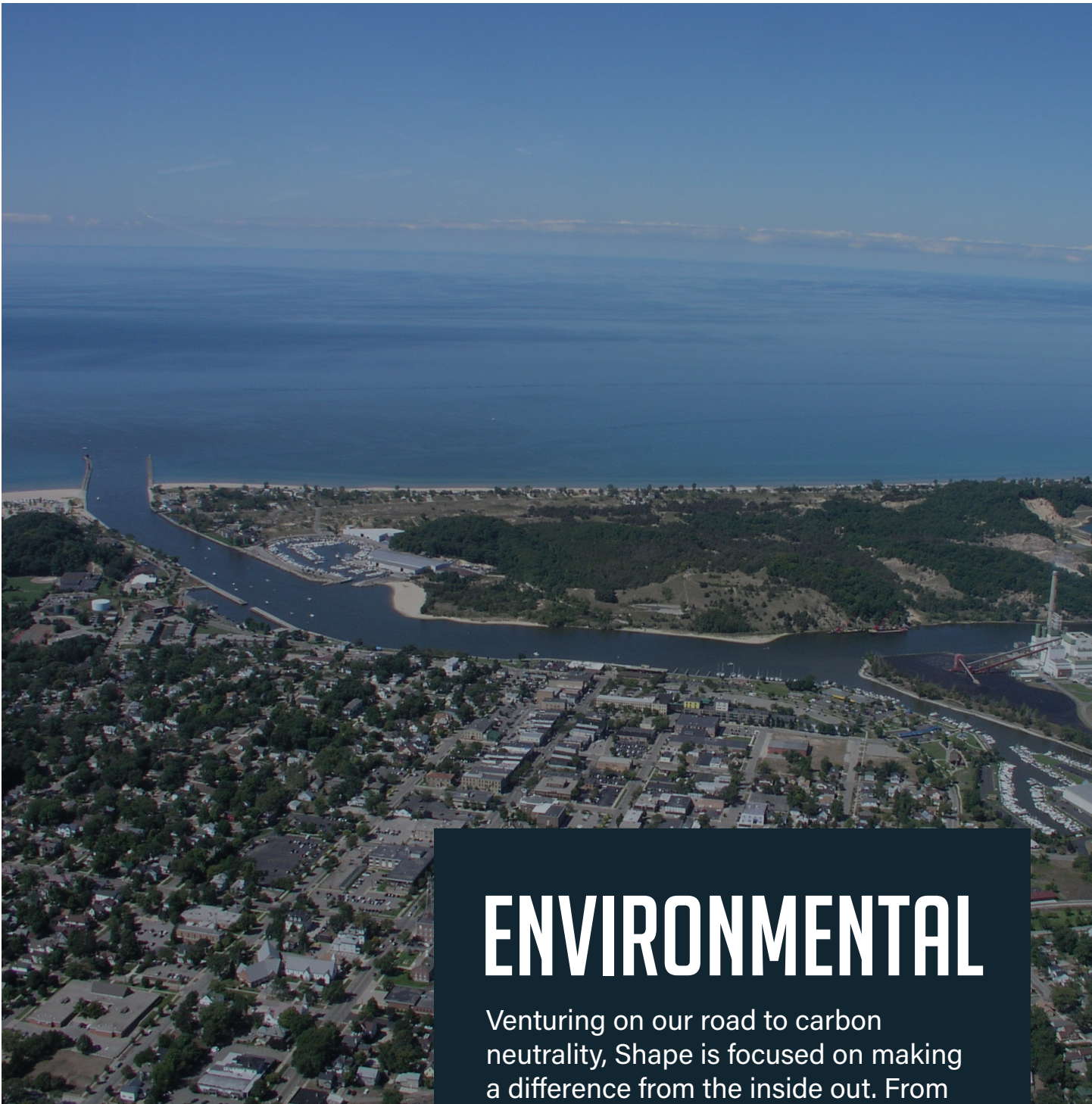
ACCOUNTABILITY



COMMUNITY



EXCELLENCE



ENVIRONMENTAL

Venturing on our road to carbon neutrality, Shape is focused on making a difference from the inside out. From material selection to operational improvements and enhanced environmental management systems, we are reducing our footprint for a healthier environment.

MINIMIZING OUR FOOTPRINT

1,449 TONS

of non-production recycled material, globally.

13,440 TONS

of production recycled material, globally.

167 TONS

of plastic material reground for future material usage.

13 TONS

of VOC emissions, globally.

1,664 TONS

of carbon emissions, globally.

2,033 TONS

of waste emissions, regulated and solid waste to landfill, globally.

Originating along West Michigan's lake shore, environmental considerations have been a long-standing component of Shape's operations.

Our environmental management system laid the foundation for our corporate approaches and continues to evolve as our organization and processes become more sophisticated. These roots expand to our growing global footprint, where our locations teach and transfer best practices.

While we are early in our robust sustainability journey, our environmental efforts have grown exponentially. In 2021, the implementation of numerous scoring and management systems allowed our organization to establish a robust baseline surrounding more environmental factors than previously tracked. The tools enable us to understand our environmental performance at a much deeper level, including how we compare to similar

organizations. From the data, our teams gained clear direction to initiate immediate action and strategic planning around improving our carbon footprint.

"I have been thrilled by the pace, energy and response of our global team members as they rally around our goal of becoming a carbon neutral company by 2035," said Mark White, CEO & president.

Our team members see tremendous opportunity throughout the organization that takes our efforts beyond basic energy and consumption improvements. Partnerships with our customers to identify opportunities, lessons learned from the industry, in addition to applying sustainable practices in material selection, product development and our manufacturing processes, are advancing us quickly.



COMMITTED TO REDUCTION

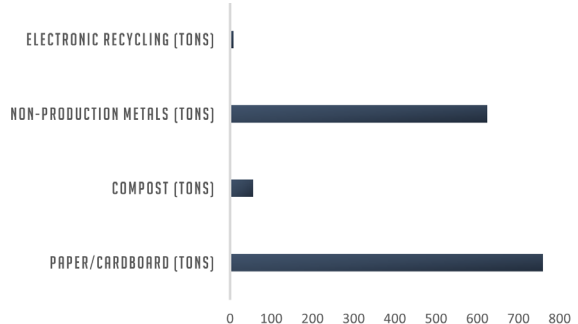
CERTIFICATIONS

100% of Shape's global locations are registered to ISO 14001, the environmental pillar of environmental management systems.

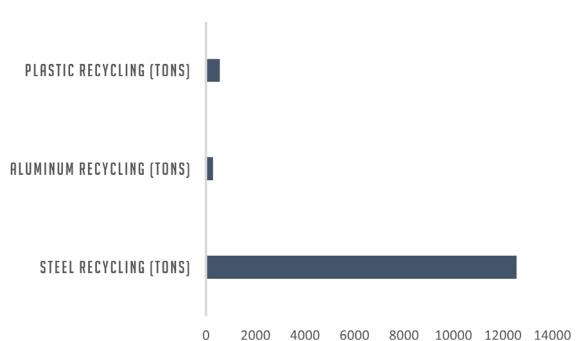
RECYCLING AND COMPOST

In both non-production and production recycling, metallics continue to be Shape's primary recycled content, with steel being the highest.

NON-PRODUCTION RECYCLED MATERIALS



PRODUCTION RECYCLED MATERIALS



CARBON EMISSIONS

Our CO2 Footprint decreased 1% globally, while air emissions decreased 19% in the past 3 years.

UTILITIES REDUCTION

Electric energy usage has decreased from 2019, saving 5,371,602 kWh, along with water consumption reduction by saving more than 3,250,031 gallons of clean water.

9,133,138 LBS.
of materials recycled in 2021,
creating a total impact by saving

- 29,874** Barrels of Oil
- 18,345,544** Lbs.
- 10,638,658** kWh
- 39,755** Cu. Yards of Landfill Space



DESIGNING OUR FUTURE

MATERIAL USAGE

Plastic regrind put 167 tons of material back into the injection molding process in the US, Czech and Mexico. Team members are implementing ideas regularly that reduce scrap in our plants and maximize our material usage.

PROCESS ENHANCEMENTS

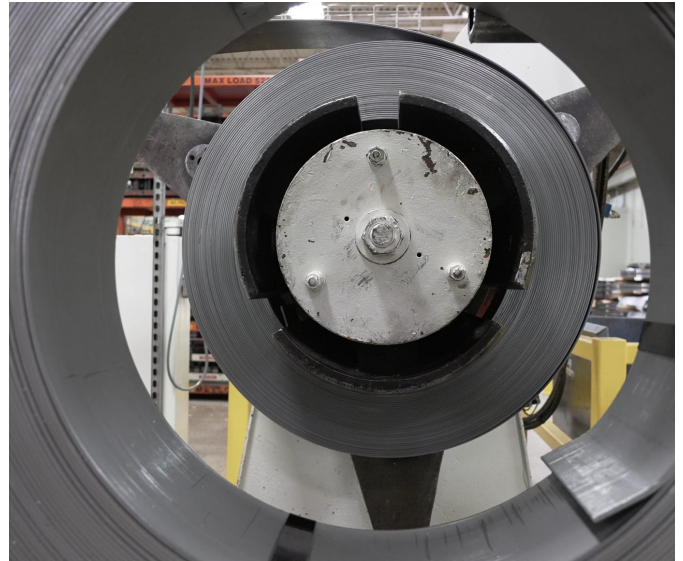
Our Shape Excellence System drives continuous improvement, cutting waste and optimizing the way our organization runs. Focus across six pillars empowers our team members to identify and implement ideas that enhance our business and ultimately lead to reduction of resources to manufacture our products.

PRODUCTS DRIVING EFFICIENCY

Shape has a history of innovating to provide our customers with lighter, stronger products that enable them to meet regulations and requirements around the globe. Optimized design, material selection and our processing approach are pinnacle to providing well-balanced solutions. Our commitment enhanced in 2021 as we defined a more aggressive product road map to develop sustainable components.

LOOKING AHEAD

Material selection is a key ingredient in making our product road map a reality. Shape has partnered with SSAB to apply their first-to-market fossil-free steel, a product made of hydrogen-reduced sponge iron utilizing HYBRIT technology, for use in the automotive industry. Additionally, Shape partnered with Hydro to utilize their product Hydro CIRCAL, aluminum made with a minimum of 75% recycled, post-consumer aluminum scrap, which is expected to deliver an estimated 70% CO2 reduction versus the North American average for aluminum when including Scope 1, 2, and 3 emissions.





SOCIAL

At Shape we realize our company and associates are members of a much larger community. We take great care to give back and support organizations and individuals that need assistance; donating time, talents and funds through Shape volunteer programs and initiatives.

PUTTING PEOPLE FIRST

1,419

hours of volunteer paid time off utilized by our global team members.

56

organizations supported through monetary donations.

10+

social causes receiving resources from the Shape Family, including environmental, education, veterans, diversity and more.

3.5%

global safety incident rate.

2600

hours of mental health services utilized by team members.

124

barriers removed for team members through career success coaching.

Sparking unlimited potential begins with our team members. How we come to work each day will enable us to live out our vision and grow as individuals. From development programs to learning on the job, we build people. This translates to our customers and community. By placing people at the center, we're not only able to shape technology, we shape lives and communities. Together, we volunteer, give back, create solutions to local challenges and develop young talent to ensure a bright future for our industry and community.

While shaping the lives of our team members and communities has always been essential to Shape, the past two years brought a surge of energy to drive more sustainable efforts around the globe. This energy resulted in some of the greatest positive impact we have ever experienced as an organization.

Looking ahead we aspire to build upon that momentum with new initiatives and programming. From mental health to child care, we are listening to the needs of individuals and families to design our next steps.

TOTAL WELLBEING

EMPLOYEE WELLBEING

Expanding upon Shape's long-time wellbeing program, several new initiatives were launched to be more inclusive of our team members' vast physical and mental wellness needs. A Compassionate Paid Time Off (CPTO) Program was deployed to support team members and their families experiencing significant medical hardships. Autism, fertility and parental leave coverage was added to our Total Rewards benefits package.

In the height of the pandemic, continued focus on healthy habits evolved with new features. 158 virtual fitness classes were offered starting in March 2020 until the on-site fitness centers reopened safely in June 2021. A new Livongo for Diabetes Program was launched to improve diabetes care for team members and spouses and control costs for both Shape and families; 31 individuals are currently enrolled. 61% of team members and spouses engaged with Shape's wellbeing app, Virgin Pulse, report adopting healthier habits through the programs.

COMMUNITY HEALTH PARTNER

30,000 vaccines were successfully administered throughout West Michigan thanks to a partnership with Mercy Health Muskegon/Mercy Health Physician Partners. Shape provided space to house the clinic throughout 2021 and thanked Mercy Health staff for their efforts on multiple occasions, including hundreds of gift bags.

Internally, to combat COVID-19 the vaccine clinic was accessible to team members, a response committee was established, extensive protocol were put in place to protect front-line workers and employee care kits were delivered throughout our global facilities.



SHAPE CARES

Shape continues to support team members in personal challenges. A more robust governance structure was put in place for the Shape Cares program. **57** team members were assisted in overcoming **124 barriers** with support from Shape's dedicated career success coach. Barriers included housing, transportation, utilities and financial counseling. \$62,828.67 in support service funding was provided to team members through a partnership with West Michigan Works. More than 2,600 virtual mental health sessions were provided between Mosaic Counseling and Priority Health.



INCLUSIVE PARTNERS

GLOBAL COMMUNITY IMPACT

Making a difference around the globe, our team members in Shape China helped throughout the COVID-19 pandemic by supplying over 300 employees with food which was unreachable for most of the Chinese community. Our Shape Mexico team members volunteered painting a community school. In Shape Czech running for a cause and planting trees near Shape are some of the activities our team members feel proud of being part of.

FOSTERING INCLUSIVITY

Inclusivity was at the forefront of HR enhancements in 2021, including embedding DE&I principles into all of our HR processes including talent attraction, behavioral interviewing to eliminate bias, language accessibility and additions to our total rewards benefits program. The entire executive leadership team received additional education around bias while proactively defining an affirmative action plan, committing to a DE&I vision, and setting a roadmap to achieve it.

A third-party audit of our application process and an internal DE&I climate study, was conducted establishing our first DE&I scorecard. Inputs from both processes are driving change actions.

Shape's Inclusion Advisory Board, established in 2020, with internal and external members expanded its action in 2021, including new board members. In 2021, Shape's IAB and several leaders had the honor of meeting with GM's Chief Diversity Officer- Telva McGruder, while learning more about GM's programs and DE&I efforts.

BUILDING DE&I AMBASSADORS

To encourage and expand DE&I education and involvement across Shape, we have worked to identify a more formal Inclusion Group Structure and method of establishing/promoting additional employee-led Inclusion Group Chapters and Events.



4,891 HOURS

of giving back to our global communities. Shaping our communities gives us the opportunity to shape the lives we want for our team members. All the donated support has been executed at: Animal shelters, providing income tax filing assistance, supporting disaster relief efforts, helping at food pantries, delivering holiday baskets to those in need, highway and parks clean ups, donating blood, helping at Coast Guard Kids Day, United Way Day of Caring, etc.





GOVERNANCE

We believe common dedication to exemplary ethical business practices serves the mutual interests of our team members, customers, suppliers and communities. Our governance systems and policies enable us to uphold this standard.

BUILDING STRONGER SYSTEMS

15

corporate compliance trainings available online.



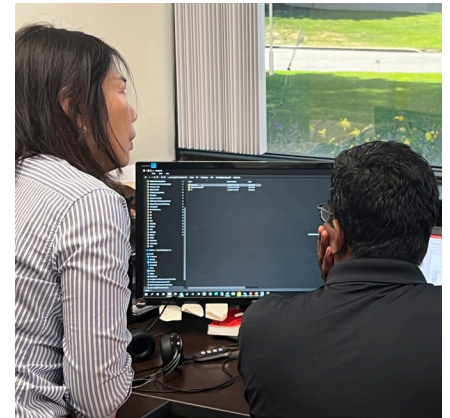
100%

of global sites registered to ISO 14001.



1

global ethics reporting system, available in 5 different languages, including anonymous reporting.



Shape Corp. is governed by a twelve-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 six are shareholders. The board receives regular reports regarding progress toward Shape's sustainability goals and also reviews ethics allegations submitted to management or through Shape's anonymous reporting system.

Globally, company strategies are launched and policies are overseen by a six-person Leadership Council consisting of the President and CEO, the CFO and leaders of all corporate functions. Operations are

managed by Division Managing Directors. Reports of policy or ethics violations are escalated to members of the Compliance Committee, investigated, and driven to resolution. The Compliance Committee also manages Shape's responses to CSR and ESG surveys and sets actions to improve scores.

In 2021, the company launched a cross-functional Sustainability Task Force to define and steward Shape's practices related to environmental and social issues and the Inclusion Advisory Board to support our work on diversity, equity and inclusion objectives. These two groups set annual action plans and success metrics to allow assessment of Shape's progress toward a sustainable future.

LED BY OUR VALUES

In a year of unexpected headwinds and challenge the Shape team remained focused on improving our systems that will lead to a more sustainable future.

PRINCIPLES OF CONDUCT

Shape Corp's core values of Respect, Development, Accountability, Community and Excellence are woven throughout Shape's Principles of Conduct, which codify Shape's dedication to ethical business practices. New employees affirm the Principles of Conduct and all team members are asked to recommit to them annually with training. Each Shape team member as well as each member of the Shape Board of Directors has a personal responsibility to honor the tenets of the Principles of Conduct.

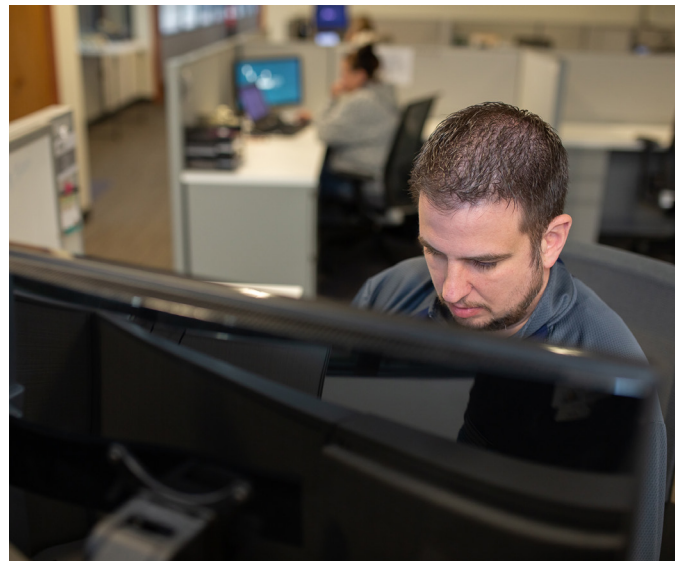
ETHICS

Shape strictly prohibits corruption of any kind, has policies regarding ethical behavior, and uses in-person and electronic ethics reporting systems, which are confidential and permit anonymous reporting, to allow all team members to be accountable to responsible business practices. Online training is offered, and team members seeking guidance on Shape's Principles of Conduct can consult with Shape's General Counsel or Compliance Officer.

CORPORATE COMPLIANCE TRAINING

Each division of Shape manages compliance training through in-person and online approaches, which are anchored in a set of corporate standard content.

Over the past two years Shape's training capabilities have become more sophisticated through our HRIS, ADP, launching a robust online learning platform. This platform has streamlined the way our team members complete corporate compliance training and how the data is managed throughout the organization.





PARTNERING TO IMPROVE

SUPPLIER MANAGEMENT

Shape recognizes the importance of building aligned expectations with world-class suppliers.

Shape continues to mature its approach to governance. Its Supplier Principles of Conduct, in place for years, was recently updated to better define social and environmental expectations of third parties doing business with Shape. The Shape Board of Directors is in the process of improving its oversight of the company's corporate social responsibility and climate-related risks and opportunities. The company is shortly deploying a conflicts of interest disclosure tool to allow team members to better understand expected behavior and seek guidance on potential conflicts. Reported ethical concerns are investigated promptly and thoroughly.

Throughout 2021 we have been working closely with our supplier partners to identify system and policy improvements that promote a sustainable future. Within our 'Supplier Manual' an expanded section around sustainability added requirements around participating in the "Net Neutral" initiative which includes the Carbon Disclosure Project (CDP); a requirement set forth by OEMs. Shape works with each supplier to establish requirements and reporting structures. Additionally, new suppliers are required to complete a Supplier Sustainability survey prior to the award of new business.

SUPPLIER ASSURANCE SCORING

Utilizing the leading environmental systems, such as EcoVadis, NQC, CDP (Carbon Disclosure Project), B and Foresite, Shape is setting stronger structure around our sustainability efforts. 2020 served as the baseline, driving our strategy for improvement.

82% NQC SCORE

Shape's CDP score for climate change improved from a D- to D, while the water security score increased from a C- to C. In EcoVadis, Shape received a supplier sustainability score of 39%. Our Supplier Assurance (NQC) Supplier Sustainability Score was 82%.





THINKERS.
BELIEVERS.
DOERS.

1900 Hayes
Grand Haven, MI 49417
shapecorp.com

© 2022 Shape Corp. All Rights Reserved.