

Document Name:	Supplier Principles of Conduct		
Document ID:	SCP-23883614	Revision Date:	1/7/2020
Approved by:	VP of Global Supply Chain, VP of HR, VP of Sales, General Counsel, and Compliance Officer		

1.0 Purpose and Scope:

Shape Corp. and its affiliates (“Shape”) acknowledge their social responsibility in the global marketplace. That responsibility demands adherence to principles within Shape and throughout its supply chain that protect the well-being of people and our planet. These principles span the areas of human rights, labor, the environment, responsible sourcing, and ethical behavior. They are consistent with and in some cases derived from such foundational treatises as:

- The United Nations Global Compact
- The Universal Declaration of Human Rights
- The Global Sullivan Principles of Social Responsibility
- The United Nations Convention Against Corruption

Social responsibility and a plan for sustainability are enablers to the long-term success of our company, and the success of our stakeholders, employees, business partners, suppliers, and customers. Accordingly, the following principles are followed by Shape worldwide, and it is Shape’s expectation that all of its suppliers adhere to these practices, train their employees on these principles, and ensure their sub-suppliers are compliant with these standards as well. This Corporate Social Responsibility Statement and Supplier Principles of Conduct form part of Shape’s contractual relationship with its suppliers.

2.0 Instruction and Responsibility:

Human Rights

Suppliers must respect and support compliance with internationally accepted human rights.

Forced Labor

Suppliers must condemn all forms of forced and compulsory labor. Suppliers will not use forced or involuntary labor, whether bonded, prison or indentured, including debt servitude.

Child Labor

Suppliers must support the effective abolition of exploitative child labor. Suppliers will not employ individuals in violation of local mandatory school age or under the legal employment age in each country where they operate. In no case a should a supplier employ workers under the age of fifteen.

Harassment and Discrimination

Suppliers will uphold equal opportunities with respect to employment and will refrain from discrimination in any form unless national law expressly provides for selection according to specific criteria. Discrimination against employees based on gender, race, disability, origin, religion, age or sexual orientation is not acceptable. In addition, suppliers will not withhold employee identity or immigration documents, will not engage in forced sex acts.

Diversity, Equity and Inclusion

Shape believes in the value of diversity, equity and inclusion (“DEI”). Suppliers are encouraged to recruit, hire and retain diverse employees, and to engage their employees in DEI training. Suppliers are further encouraged to seek their own diverse suppliers and do business with disadvantaged business enterprises.

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Freedom of Association

Suppliers must endorse the concept that while employees have the right to freedom of peaceful assembly and association, no one may be compelled to belong to an association. Shape expects its suppliers to comply with all applicable labor laws.

Working Conditions

Shape Corp. is opposed to all exploitative working conditions and suppliers are expected to support this philosophy.

Protection of Health and Safety

Suppliers must comply with all workplace health and safety laws and actively seek to minimize the risk of injury or illness in the workplace. Suppliers must support the continuous improvement of working conditions as well as provide their employees with the necessary personal protective equipment. Suppliers must have a process for managing injuries or illnesses that require medical treatment and ensure health and safety within their workplaces to a level no less than what is required by applicable national and local laws and regulations.

Compensation

Suppliers will honor the right to reasonable compensation of a level no less than the legally established minimum-wage and the local job market, based on local laws and regulations. Within the scope of national legislation, suppliers will respect the principle of "equal pay for work of equal value."

Working hours

Suppliers will comply with national provisions and agreements regarding working hours and regular, paid holidays, and will pay all legally required overtime.

Recruitment Fees

Suppliers will not charge employees recruitment fees, nor any other financial obligations, nor engage in activities charged as a condition to accessing a job opportunity or to obtaining permanent or temporary employment.

Individual Privacy

Suppliers must use personal data only to support their operations and to provide employee benefits. Individuals should be informed about the collection and processing of their data, as well as their rights towards their personal data. Suppliers must safeguard personal data and limit data access to employees who need it for business purposes and expect its suppliers to do the same. Local data protection and privacy laws must be followed.

Anti-Social Regulations

Certain countries, including but not limited to Japan, have laws that prohibit support of organized crime or anti-social forces. Shape associates are prohibited from facilitating anti-social activities or allowing organized crime groups to influence Shape's strategy, financial decisions, or recruiting, customer or vendor choices to ensure their own financial gain.

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Environment

Suppliers must actively manage environmental challenges and encourage initiatives to promote greater environmental responsibility, support sustainability and provide stewardship of our natural resources. Suppliers must regularly evaluate and monitor the impact of their business activities on the environment.

Suppliers must endorse the development and diffusion of:

- Environmentally friendly technologies, designs, and materials,
- Strategies to reduce the environmental impact of logistics,
- Strategies to reduce the environmental impact of manufacturing processes, and
- Strategies regarding sustainability, waste reduction, reuse and recycling,
- Strategies to reduce the use of energy, improve air quality, and minimize greenhouse gas emissions,
- Strategies to improve water quality and consumption,
- Strategies to responsibly and legally manage and store chemicals,
- Strategies to conserve natural resources.

Suppliers will comply with all applicable environmental laws and regulations and will promptly develop and implement plans or programs to correct any non-compliant practices. Supplier's management must engage in and provide their employees training in sound environmental practices and compliance with applicable laws and regulations.

Shape encourages its Suppliers to certify to the ISO 14001 environmental management system standard (or any successor standard) or implement a formal environmental management system (EMS).

Ethics

Shape demands the highest ethics and integrity in all its business dealings and requires its suppliers to act ethically at all times with all parties in the supply chain.

Gifts

Suppliers will not offer or take receipt of any gift, loan, fee, reward, item of value or other advantage to or from any person as an inducement to do something which is dishonest, illegal, or a breach of trust, even in areas where it may be tolerated. Suppliers should only give to or receive from business partners gifts or entertainment that are modest, reasonable and occasional, and that are not likely to influence employees who make decisions potentially benefitting the donor, as specified in Shape's Gifts and Entertainment Policy. If a Shape employee solicits a gift or entertainment from a Shape supplier, Shape encourages reporting of the incident through its reporting mechanisms outlined below.

Anti-Corruption

Suppliers will not engage in corruption in any form, including extortion or bribery. Suppliers must adhere to local and applicable anti-bribery and anti-corruption laws in all cases, and, because it is a U.S.-based company, particularly those applicable in the United States. Suppliers must not give anything of value to any person or entity to gain an improper business advantage, must exercise caution regarding potential bribery or corruption when dealing with government officials, and must keep accurate books and records.

Regardless of the specific laws or established business practices of any particular jurisdiction in which we or our suppliers operate, Shape prohibits the making of facilitation payments to government officials to obtain routine or ministerial services to which Shape or its suppliers would be otherwise legally entitled.

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Antitrust

Suppliers will comply with all applicable antitrust laws and will not engage in conduct that improperly limits free and fair competition. Examples of such inappropriate conduct with competitors includes fixing prices, allocating markets, limiting production, coordinating bidding or boycotting certain suppliers or customers.

Conflicts of Interest

Shape expects business decisions to be made in the best interest of the company. Any situation that creates or appears to create a conflict between personal interests and the interests of Shape must be avoided. Suppliers should report to Shape any family or close personal relationship with a Shape employee who makes or influences a business decision potentially benefitting the supplier.

Responsible Sourcing

Suppliers will not procure goods or services that violate U.S. laws related to economic sanctions, export controls, areas of conflict, or are counterfeit parts.

Economic Sanctions and Export Control Laws

Suppliers must comply with all applicable laws that prohibit or restrict business relationships with sanctioned countries, entities or persons.

Conflict Minerals

Shape supports ending the violence and human rights violations in the mining of certain minerals from a location described as the "Conflict Region," which includes the eastern portion of the Democratic Republic of the Congo (DRC) and surrounding countries, and will not knowingly procure specified metals that originate from facilities in the "Conflict Region" unless they are certified as "conflict free."

Shape expects its suppliers to conduct due diligence to understand the source of the raw materials used in their products and not knowingly provide products containing raw materials that contribute to human rights abuses, bribery and ethics violations, or negatively impact the environment. Suppliers must use validated conflict free smelters and refiners for procurement of tin, tungsten, tantalum and gold contained in the products they produce, and must report such information to Shape when requested.

Counterfeit Parts

As a manufacturer and provider of engineering design and test services, Shape Corp. strongly supports the production, sale and procurement of high quality, original components that satisfy customer requirements and provide the highest probability of safety and reliability. Accordingly, Suppliers will not knowingly sell or source any counterfeit parts. Suppliers must take steps to evaluate their own specification and purchasing processes to avoid procurement of counterfeit parts and prevent inadequate parts and components from entering the production stream.

3.0 References.

Reporting Process

Shape offers a confidential reporting mechanism which employees and third parties, such as suppliers and customers, can access and report without fear of retaliation. Shape suppliers must have similar resources available to their employees and third parties. A third party may report any instance of concern regarding Shape through the channels listed below. Anonymous reporting is available, although Shape encourages the provision of sufficient information to allow an investigation, if necessary.

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

Phone: (855) 866-3982