



THINKERS.  
BELIEVERS.  
DOERS.

# DRIVING TOWARD A SUSTAINABLE FUTURE

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Annual Sustainability Report 2023  
*covering 2022 initiatives*

# INTRODUCTION

The second sustainability report for Shape Corp. aims to showcase just how we have grown over the past year in our continued commitment to our planet, team members, customers and communities. Springboarding off our great start last year, we aim to include what new strides we have accomplished this year and how they are helping us move closer to achieving our goals. We are utilizing those strides as beacons of light guiding us along our journey in sustainable business.

## 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 leadership commitment, customer support, team member engagement and supplier relationships
- Drive operational improvements that reduce CO<sub>2</sub> emissions, energy consumption and waste
- Inform stakeholders of our goals, efforts and opportunities to engage in Shape's sustainability journey

# CONTENTS

## 3 LETTER FROM OUR PRESIDENT

## 5 ENVIRONMENTAL

Shape's Road to Carbon Neutrality  
Waste Management  
Limiting Hazardous Chemicals in Products  
New State of the Art Facility in Trenton, OH  
Moving the Needle with Products and Partners

## 13 SOCIAL

Introducing: The Total Wellbeing Center  
Shape Cares  
Fostering Inclusivity  
Encouraging The Next Generation and our Communities

## 18 GOVERNANCE

Corporate Responsibility and Sustainability  
Shape Excellence System  
Supplier Corporate Social Responsibility Outreach  
Conflict Minerals

## 23 IN MEMORIAM



# INNOVATING IN SUSTAINABILITY

On behalf of our organization, I am delighted to present Shape's second annual sustainability report. As we celebrate our landmark fiftieth year in operation, we are taking this opportunity to look back at our accomplishments and forward to the future, reaffirming our commitment to sustainable growth and innovation for the next half-century.

In 2022, we cemented our reputation as an industry leader willing to embrace transformative changes and desire to be a lighthouse organization leading the way in sustainability. Our purpose-driven approach has empowered us to make well-informed, data-driven decisions aimed at lowering our environmental footprint and creating a more equitable future for our company, our people, and our communities.

This past year saw the launch of our new Aluminum Center of Excellence, a pivotal move that not only elevated our production of lightweight automotive components but also underscored our dedication to research and development in aluminum alloys. In collaboration with our esteemed partners, we rolled out the world's first production-intent fossil-free bumper and made significant enhancements to the energy efficiency of our roll-forming operations. These initiatives reflect our unwavering commitment to being a catalyst for both individual and collective growth in our industry.

Our environmental initiatives have likewise been impactful. We have made considerable investments in upgrading our facilities to make them more energy-efficient than ever. We conducted extensive audits, explored automated lighting solutions, conducted compressed air leak studies, and even assessed the potential for on-site solar energy production. Our sustainability efforts not only lower

the carbon footprint of our products but also assist our customers in achieving their own sustainability objectives.

A commitment to sustainability is deeply embedded in Shape's culture and extends beyond our product offerings. Over the past 30 years, we have centered employee well-being as a fundamental aspect of our operations. Our recently inaugurated Total Wellness Center at our Grand Haven, Michigan, headquarters offers a range of services, from success coaching to medical navigation. These services are designed to be accessible, in one form or another, to all our team members and their families around the world.

While we are actively working to enhance the well-being of our workforce, we consider diversity and inclusion as critical enablers of innovation and performance. This year, we took a substantial step in formalizing our Inclusion Ambassador Program, ensuring that each facility has a trained ambassador. At our Grand Haven location, we've also introduced a Spanish-first production line to remove language barriers and offer more inclusive career opportunities.

As we look toward the future, our vision remains clear—we aim to become a global lighthouse organization in sustainable manufacturing practices. We will continue to explore innovative technologies, collaborate with like-minded partners, and find avenues to positively impact the communities in which we operate.

Thank you for your continued support and engagement.

Best Regards,

A handwritten signature in black ink that reads "Mark White". The signature is fluid and cursive, with a long horizontal stroke at the end.

Mark White, President and CEO, Shape Corp.

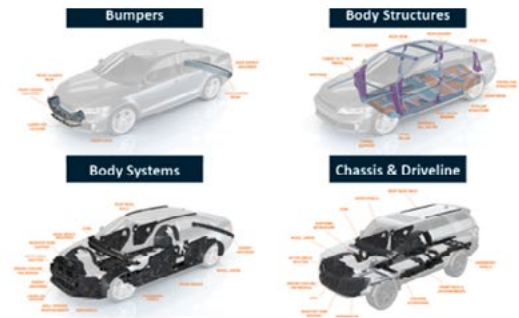
# SHAPE AT A GLANCE

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 22 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

An aerial photograph of a city skyline, likely Singapore, featuring numerous skyscrapers and modern buildings. In the foreground, there is a large, lush green park with many trees and a winding path. The sky is bright blue with scattered white clouds.

# 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.

# MINIMIZING OUR FOOTPRINT

**32,457 TONS RECYCLED**

Comprising of 31,439 tons of production-specific material and 1,018 tons of non-production material, globally.

**127 TONS**

of plastic material reground for future material use

**14.9 TONS**

of VOC emissions, globally.

**13,049 RENEWABLE ENERGY CREDITS**

secured, to offset 17% of our electricity consumption, which is equivalent to powering 1,098 homes' electricity for one year.

Committed to meeting the needs of the evolving automotive marketplace, Shape is driving the industry toward a future characterized by lighter, more efficient and environmentally-friendly vehicles. In 2022, we continued to advance toward our goal of being a lighthouse organization leading our industry into the future by making investments to update and improve facilities around the globe, including:

**LED**

lighting upgrades

**EV**

chargers installed on campuses

**ENERGY AUDITS**

across various facilities

**AIR**

compressed air leak studies

In addition, investments in new technology and close alignment with product engineers and strategic business partners helped to reduce the impact of vehicle manufacturing for our team members, customers and communities.

# ROAD TO CARBON NEUTRALITY

## CERTIFICATIONS

Shape has 14 global manufacturing locations, all of which maintained their ISO 14001 Environmental Management System certification. This standard provides a framework to control and improve our environmental aspects, reduce impacts and ensure legal compliance.

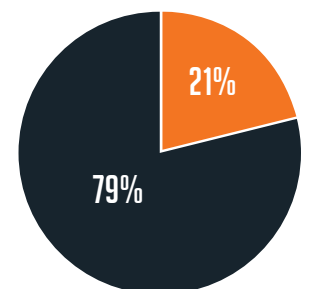
## GREENHOUSE GAS EMISSIONS

In 2022, we completed our first ever World Resources Institute (WRI) compliant Greenhouse Gas Calculations. These calculations helped to fill in gaps in previous reporting, such as emissions data for refrigerants, jet fuel, shielding and welding gas. With this information, Shape can more intentionally choose where we target our emission reduction activities in the years to come. For 2022, our total carbon emissions were as follows:

EMISSIONS	UNITS	CY 2022 (BASE YEAR)
Scope 1	MT CO <sub>2</sub> e	12,375.17
Scope 2 (Location-Based)	MT CO <sub>2</sub> e	45,877.22
<b>TOTAL (Location-Based)</b>	<b>MT CO<sub>2</sub>e</b>	<b>58,252.39</b>

### SHAPE CORP. 2022 GREENHOUSE GAS EMISSIONS

- SCOPE 1 EMISSIONS**  
 Direct emissions owned or controlled by Shape
- SCOPE 2 EMISSIONS**  
 Indirect emissions as a result of purchased electricity, heat or cooling



## RENEWABLE ENERGY

In 2022, Shape secured 13,049 Renewable Energy Credits (RECs), each one representing 1 megawatt-hour (MWh) of electricity generated from an eligible renewable energy resource offsetting 17% of our global energy consumption.



- 2025** Reduce carbon emissions by 30% in all plants globally
- 2030** Manufacturing operations will utilize 100% renewable energy worldwide
- 2035** Carbon neutral company
- 2039** Carbon neutral products (sourcing/production/disposal)



# WASTE MANAGEMENT

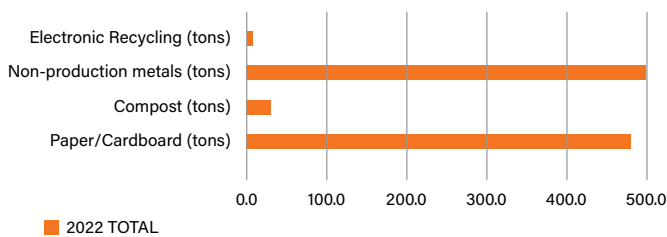
## ZERO WASTE-TO-LANDFILL VISION

Waste management and landfill disposal avoidance remains a top priority. We are 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, we were able to significantly reduce the amount of landfill materials and incinerated wastes mitigating harmful emissions and reducing potential soil and water pollution.

With the opening of a new aluminum production facility in Trenton, Ohio, and in growth with the number of products we produce, aluminum surpassed steel as the top material recycled by Shape in terms of quantity in 2022.



## NON-PRODUCTION RECYCLING



Non-production recycling demonstrates our continued commitment to reduce total landfill waste. In 2022, Shape expanded and improved our waste segregation systems with refreshed containers and signage. The EHS team works diligently to identify new and alternative recycling streams for previously landfilled materials.

Team members at Shape provide improvement ideas as a core element of the continuous improvement process.





# NEW STATE OF THE ART FACILITY

## TRENTON, OHIO

This year, Shape Corp. proudly opened a new cutting-edge aluminum facility in Trenton, Ohio. Spanning over 330,000 square feet, this facility represents our unwavering dedication to innovation and customer satisfaction and builds on our commitment to delivering innovative and high-quality products with multi-material solutions that support a cleaner energy future.

Strategically staffed with experienced team members and near our extrusion facility, the Trenton facility can easily ship to many existing customers while collaborating with technical educators in the region.

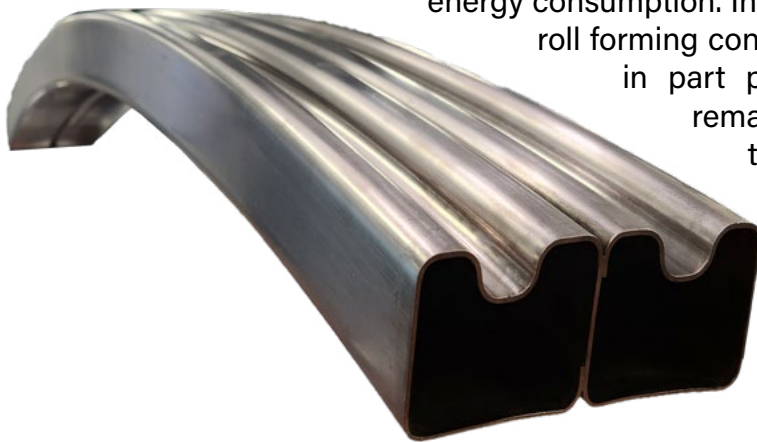
The advanced manufacturing space is armed with the latest technologies, including industry-leading aluminum extrusion presses and finishing machinery which enhances efficient production of high-strength, tight tolerance aluminum extrusions for automotive components. By prioritizing the production of extrusions with thin, constant wall thicknesses and complex geometries, Shape is effectively producing unique and optimal solutions for the automotive marketplace.



# MOVING THE NEEDLE WITH PRODUCTS AND PARTNERS

## ROLL FORMING TECHNOLOGICAL ADVANCES AND THE WORLD'S FIRST FOSSIL-FREE STEEL BUMPER

For years, Shape's dedicated engineers have honed their expertise in roll forming ultra-high strength materials. The roll forming process stands out as an exceptionally sustainable option, surpassing other forming methods like hot and cold stamping, thanks to its remarkable material utilization and low energy consumption. In fact, measured energy consumption shows that roll forming constitutes only 1-2% of the total energy consumed in part production, with raw material comprising the remainder. Overall, this process enables the usage of the highest strength materials while promoting efficient section design – and as a result, optimizing up to 95% of material usage.



Our ongoing commitment to adopt more sustainable materials and manufacturing processes saw progress with a significant milestone this year – partnering with SSAB to create the world's first production-intent roll-formed martensitic steel bumper. This cutting-edge bumper, manufactured using SSAB's fossil-free steel, embodies both lightness and durability, making it essential for vehicle safety and performance while actively contributing to carbon emissions reduction. This steel is based on SSAB's HYBRIT technology, which replaces coal with hydrogen in the reduction process, resulting in the product being virtually fossil-free.

**95%**

The roll forming process utilizes the highest strength materials while promoting efficient section design - as a result, utilizing up to 95% of material in production.

**85.7%+**

or 10.74kg CO<sub>2</sub> savings for each bumper beam produced with new innovative steel compared to a conventional counterpart.

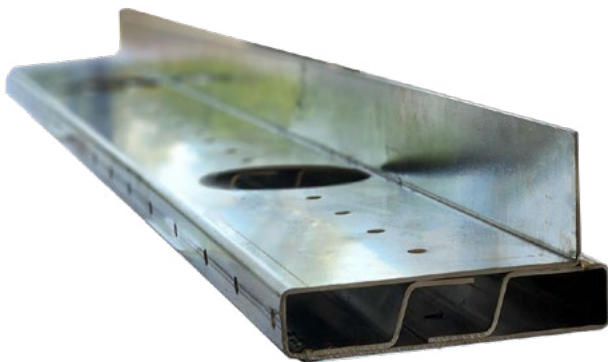
Taking into account the full emissions spectrum in steelmaking and part production, we saw impressive savings of over 10.74 kg CO<sub>2</sub> (85.7%) for each bumper beam produced with this innovative steel compared to a conventional counterpart. These remarkable emissions reductions, combined with our ongoing efforts to reduce energy consumption, promise even greater energy savings for this exceptional component in the future.

# PIONEERING ADVANCED ROLL FORMED ALUMINUM COMPONENTS FOR THE AUTOMOTIVE INDUSTRY



Shape also announced advancements in the application of complex roll formed aluminum applications for the automotive industry in 2023. In collaboration with Novelis, a leading sustainable aluminum solutions provider, Shape can now offer a portfolio of roll formed aluminum components, including rockers, battery tray crossmembers, roof bows and other structural members.

Shape engineers have spent years perfecting the method of roll forming ultra-high strength materials along with researching and developing complex geometries that bring value to structural automotive components. Shape's new roll forming technology will utilize Novelis' full automotive product line, including fully tempered high-strength 6xxx series aluminum sheet alloys.



The benefits of utilizing aluminum, including the Novelis 6xxx series aluminum sheet in the roll forming process allows Shape to optimize the roll forming process, allowing us to create complex shapes, tight bend radii, and ultimately, more efficient, sustainable, and cost-effective automotive components. This collaboration has opened new possibilities for the industry and reinforced Shape's and Novelis' position as leaders in material innovation.

By leveraging higher material strength levels, Shape engineers have developed a range of automotive applications that demonstrate the full potential of roll formed high-strength steel and aluminum. The collaboration with Novelis has allowed Shape to apply its deep experience in roll forming steel to developing complex roll formed automotive products made of high-strength aluminum sheet.



Simplifying the OEM assembly process, roll forming replaces alternative methods that require multiple stampings and time-consuming assembly operations. The roll forming process minimizes the need for secondary operations by forming in higher-strength tempers (maximizing weight savings) with passivation coatings, and with pre-pierced holes and fasteners applied in-line. Furthermore, the ability to reuse tooling for part length variation increases efficiency and reduces overall investment in production.



In 2022, Shape began the process of collecting Scope 3 emissions from purchased goods and services. A series of webinars provided education on Scope 1, 2 and 3 emissions, and provided context around Shape's sustainability vision and goals.

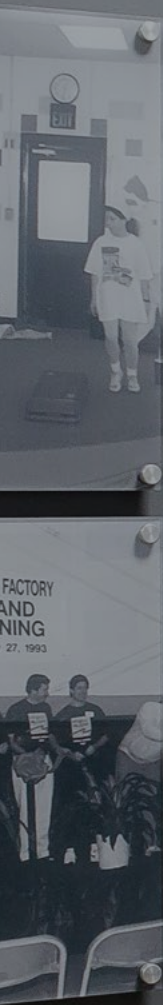
We conducted a comprehensive sustainability survey to assess the current level of environmentally conscious among our partners. This survey helped us in understanding the areas where our partners are doing well and the areas where they need support to improve sustainability. With this information, we can work together with our suppliers and stakeholders to create a sustainable future for everyone.



**22 SUPPLIERS**

Engaged with 22 of Shape's top suppliers to gather Scope 3 emissions.





# Total Wellbeing

Shaping What Matters

Since its origination in 1993, the Fitness Factory has grown into more than just an exercise facility. Today, it is the Total Wellbeing Center for the Shape Family of Companies, providing a holistic and integrated approach to wellness, supporting the physical, mental, financial, social and community needs of our team members.



“Our innovative and compassionate wellness programming significantly impacts the health of our associates and their families, and allows them to take charge of their health and make changes necessary to live a better life.”

Gary Verplank - Shape Founder

# 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.

# PUTTING PEOPLE FIRST

250

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

600

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

850

Nurse Navigator visits in the first 6 months of service

22

Shape trained Inclusions Ambassadors with at least one at every location worldwide

3.2%

Total Recordable Incident Rate (Global injuries and illnesses)

\$40,000 +

were provided to team members in need throughout Shape Care initiative in 2022

We prioritize our team, ensuring their development and wellbeing form 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.

## SHAPE INCLUSION AMBASSADOR PROGRAM

Our Shape Inclusion Ambassador Program serves as a driving force for fostering diversity and inclusion in the workplace. For our company, it is of high importance to ensure that all voices from the Shape family are heard and valued throughout the entire global organization. This is why our Inclusion Ambassadors are the champions

when promoting an inclusive culture that welcomes individuals from all backgrounds. By actively engaging with employees, advocating for diversity-related initiatives, and providing a safe space for dialogue, these ambassadors help create an environment where every employee feels valued and empowered to bring their authentic selves to work. We believe this program not only enhances employee morale and retention but also contributes to improved innovation and decision-making by drawing on a wider range of perspectives. Shape Inclusion Ambassador Program is not just a beneficial asset; it is an essential pillar for sustainable growth and success.



# TOTAL WELLBEING CENTER

## EMPLOYEE WELLBEING

Since the opening of Shape's first onsite gym, the Fitness Factory, in 1993, wellbeing has been a pillar of company culture. In 2023, Shape opened the Total Wellbeing Center located on the company's Michigan campus, a state-of-the-art facility designed to provide team members and their families with access to a wide range of wellbeing services including:

- Nurse Navigator
- Virtual Care Services
- Care Manager
- Employee Assistance Program
- Success Coach
- Dietitian
- Onsite Gym

We have specifically designed these programs to be a highly personalized and all-inclusive space where all employees can go to feel fully supported in all their health and wellness needs.

## NURSE NAVIGATOR

In Grand Haven, our Nurse Navigator program in collaboration with Corewell Health and Priority Health had over 850 visits in the first six months of service, 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.



## 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 initiative is a program that 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 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 wellbeing team then meets to discuss the various applications and decides on who to provide the financial assistance to.





**600+**

team members completed a DEIB training during a whole month. A video including team members from China, Japan, and Korea was created to highlight exactly what DEIB means to them.



# FOSTERING INCLUSIVITY

## 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 communities. In 2022, we reinforced our Inclusion Ambassador program to provide formal training to Shape employees who have a desire to be a role model and advocate for the celebration, acceptance and appreciation of all Shape Family Members, assisting the organization with DEIB education, programming and promotion. The first round of training resulted in 22 ambassadors, with at least one physically located at each Shape location globally.

## BREAKING BARRIERS

In Michigan, our Grand Haven facility is continuing to break down barriers by opening doors 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.

## BUILDING DEIB AMBASSADORS

Our Shape Asia division organized a culture month with the theme of Diversity, Equity, Inclusion, and Belonging. A rich array of events, activities and trainings were specifically curated to promote awareness and meaningful engagement. Open forums and panel discussions around topics such as what discrimination looks like and how to develop empathy with an inclusive mindset allowed our team members to embrace their unique perspectives and celebrate their unique contributions to Shape as a whole.



# ENCOURAGING NEXT GENERATIONS AND OUR COMMUNITIES

Supporting the next generation of innovators is at the core of our purpose. After years of unwavering commitment, Shape proudly received the esteemed namesake designation for Grand Valley State University's Innovation Design Center in Grand Rapids, MI. This momentous honor was made possible through a significant endowment and continued support of the center.

The Shape Corp Innovation Design Center boasts a range of cutting-edge facilities, including rapid prototyping labs, digital design studios, a fabrication lab, and dedicated space for K-12 engagement, such as FIRST Robotics. Throughout our longstanding partnership with the university, we have actively sponsored senior projects and provided valuable collaboration opportunities to students, underscoring our dedication to nurturing the next generation of engineers and driving technical innovation to meet global industry challenges.

Community involvement is integral to how we live in our purpose of shaping lives and communities by which we live. By actively engaging with local residents, organizations and institutions, we contribute to the wellbeing and development of the community and gain invaluable insights and perspectives that enhance our business decisions.

## COMMUNITY SUPPORT

Shape Europe sponsored the 52nd Nýrany City Run in the Czech Republic, a traditional race organized by ATLETCLUB Nýrany, z.s. together with the Commission for Education, Sport and Culture. They also helped the Pilsen Zoo in spring and fall to weed, clean, and plant new plants to help the zoo get ready for the upcoming season.

Shape India participated in a tree planting initiative with the association of Vasundhara Abhiyan to help loss in biodiversity and improve conservation efforts in India.



## \$46,000

was donated to the United Way through team member contributions (and Shape's match!) in order to support different initiatives.

## 200KG

of plastic bottle caps were recycled to fund medical treatments for children with cancer in Mexico.





# GOVERNANCE

Shape believes dedication to exemplary ethical business practices serves the mutual 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.

# ETHICAL BUSINESS PRACTICES

**49/100**

2022 EcoVadis score improved to 49/100 (Bronze Medal for sustainability), a 10-point increase from previous year.

**5 LANGUAGES**

global ethics reporting system is available in five languages and at every Shape location.

**D/C**

Carbon Disclosure Project (CDP) score of a D in Climate Change and a C in Water Security.

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 receives regular reports on progress toward Shape's sustainability goals and reviews 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.

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, CCO, CTO, CFO, 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 semi-annually to ensure Shape is making progress on our corporate and sustainability goals.

**CHIEF EXECUTIVE OFFICER (CEO)**

Approves Shape's sustainability vision and annual goals. Oversees global execution, and guides stakeholder impact.

**CORPORATE COMPLIANCE OFFICER (CCO)**

Responsible for all environmental impact analysis with stakeholders, facilitates organizational objectives and shares target development and progress to the Board.

**CHIEF TECHNOLOGY OFFICER (CTO)**

Sets the vision for fossil-free and low-carbon raw material usage by setting the company Research and Development (R&D) direction to sustainable, low-carbon products and advances sustainable products and processes.

**CHIEF OPERATING OFFICER (COO)**

Drives and checks progress on energy saving initiatives in production plants globally.

**GLOBAL PURCHASING LEADERS**

Lead Shape's journey to 100% renewable energy strategy, purchasing Renewable Energy Credits (RECs), investigating onsite solar energy and exploring key material supplier partnerships for sustainable input materials.

**CHIEF FINANCIAL OFFICER (CFO)**

Maintains organization budget, including climate-related expenditures.

# CORPORATE RESPONSIBILITY AND SUSTAINABILITY

The automotive industry continues to move through a time of great disruption as automakers around the world develop and build electric vehicles (EVs) to reduce carbon emissions that are a by-product of internal combustion engines. This once-in-a-lifetime pivot in the type of products our industry will design, manufacture and deliver to consumers and businesses is occurring in every region in which Shape does business and requires capital investments in people, technology and innovation. EV adoption in our society also drives Shape to consider additional carbon-reduction strategies we can adopt in our business.



We embrace these challenges with an abundance mindset knowing it will put Shape, the entire industry and Earth's population on a better path forward. This year, we made significant strides in learning how sustainability can guide our business practices. Sustainability and climate related risks were elevated from a designated task force to a corporate strategic priority, requiring it to be integrated into all business considerations.

## THE FOLLOWING SENIOR LEADERS HAVE RESPONSIBILITY OVER THE INDICATED ELEMENTS OF SHAPE'S SUSTAINABILITY JOURNEY.

CHIEF EXECUTIVE OFFICER (CEO)	CORPORATE COMPLIANCE OFFICER (CCO)	CHIEF TECHNOLOGY OFFICER (CTO)	CHIEF OPERATING OFFICER (COO) DIVISION MANAGING DIRECTORS	GLOBAL PURCHASING LEADERS	CHIEF FINANCIAL OFFICER (CFO)
Approves Shape's sustainability vision and annual goals. Oversees global execution, and guides stakeholder impact.	Responsible for all environmental impact analysis with stakeholders, facilitates organizational objectives and shares target development and progress to the Board; owns the global environmental management system.	Sets the vision for fossil-free and low-carbon raw material usage by setting the company Research and Development (R&D) direction to sustainable, low-carbon products and advances sustainable products and processes.	Drives and checks progress on energy saving and recycling initiatives in production plants globally.	Lead Shape's journey to 100% renewable energy strategy, purchasing Renewable Energy Credits (RECs), investigating onsite solar energy and exploring key material supplier partnerships for sustainable input materials.	Maintains organization budget, including climate- and water-related expenditures. Ensuring adequate resources are provided.

In 2022, the GLT approved the "Road to Carbon Neutrality Plan," a vision for reducing global carbon emissions, development of carbon neutral products and the generation/purchasing of renewable energy. They also showed support by approving an environmental policy statement to reduce greenhouse gas emissions as well as protecting valuable natural resources like water.

# SHAPE EXCELLENCE SYSTEM

9,000

new global ideas were successfully implemented in 2022.

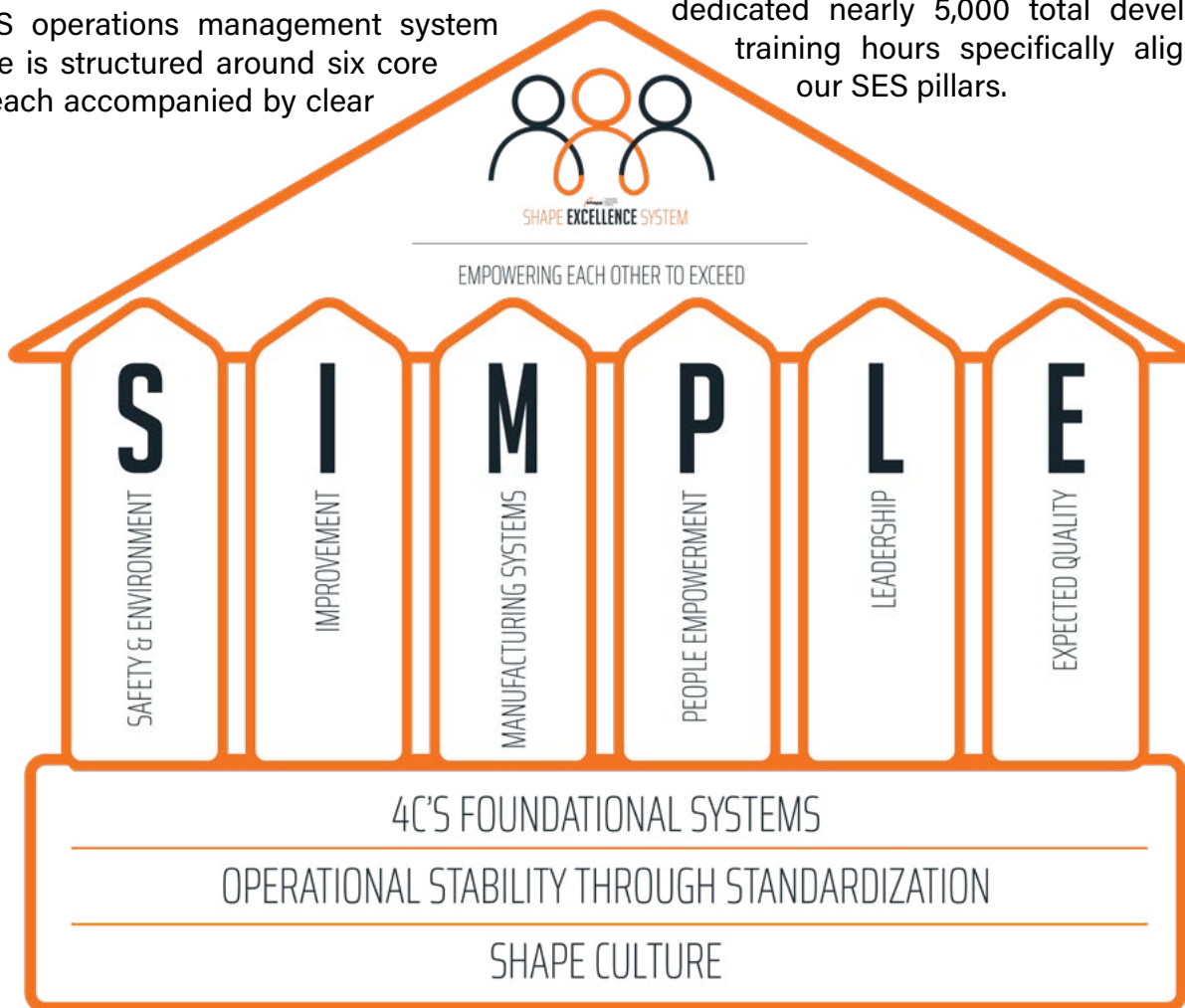
As a global organization, it is imperative that we establish a robust framework for assessing and promoting safety and sustainability in our manufacturing processes. To achieve this objective, we have developed the Shape Excellence System (SES), a systematic approach dedicated to ensuring the well-being of both individuals and the environment.

The SES operations management system at Shape is structured around six core pillars, each accompanied by clear

and measurable milestones that every plant is committed to achieving.

In each of our plants, a designated SES expert, thoroughly trained, oversees the implementation of the program tailored to their facility. This involves an annual one-week audit conducted at every plant, supported by a self-assessment completed by each facility. Our global team utilizes this self-assessment to guide the audit process.

Furthermore, we actively foster a culture of collaboration among employees and SES experts, encouraging the exchange of ideas and best practices across our global facilities. In the year 2022 alone, we successfully implemented almost 9,000 new ideas globally, and we dedicated nearly 5,000 total developmental training hours specifically aligned with our SES pillars.



# SUPPLIER CORPORATE SOCIAL RESPONSIBILITY OUTREACH

As we continue to grow, so does the strength of our relationships with suppliers and customers. We are an active and contributing member of the General Motors Supplier Sustainability Council, where we help GM interact with their entire supply chain.

All Shape suppliers are required to comply with Shape's Supplier Principles of Conduct, which include guidelines about environmental responsibility. Shape is committed to working with each supplier to establish requirements and reporting structures that align to these requirements. Shape's strategic suppliers (constituting over 70% of Shape's total spend) are also required to complete an annual supplier sustainability survey and supplier self-

assessment. Shape inquired about its strategic suppliers' Scope 1 reporting mechanisms and was pleased to learn that most use the Carbon Disclosure Project (CDP) construct available globally and also used by Shape to respond to our customers.

In 2022, Shape began the process of collecting Scope 3 emissions from purchased goods and services. A series of webinars provided education on Scope 1, 2 and 3 emissions, and provided context around Shape's sustainability vision and goals. The sustainability survey was then utilized to establish where our partners are in their sustainability journey and how we can assist them moving forward.

# CONFLICT AND EXTENDED MINERALS

At Shape, upholding the highest ethical standards in business practices is paramount, and we denounce any involvement in the transportation of conflict minerals, which are minerals identified by the U.S. government as being used to fund conflicts in specified countries. To ensure unwavering compliance with this commitment, we have implemented a robust process with two full-time employees that prioritizes transparency and certainty regarding the supply practices of importers, smelters and refiners.

Our due diligence begins with the adoption of the iPoint SustainHub declaration platform, which provides comprehensive material information on all our products that may contain these minerals. We hold all suppliers accountable by mandating the annual completion of the Responsible Minerals Initiative's Conflict Mineral Reporting Template (CMRT) and Extended Mineral Reporting Template (EMRT). The return rate for the

year was 85% for the CMRT and 73% for the EMRT for 170 suppliers. These essential forms facilitate the seamless transfer of information throughout the supply chain, encompassing details about the mineral country of origin and the specific smelters and refiners involved. Compliance with these reporting requirements is mandatory for all our suppliers, ensuring a shared commitment to ethical practices. In cases where non-compliance is identified, the supplier's status changes to inactive until the necessary documentation is completed and reviewed.

**85% FOR CMRT**

The return rate for the year was 85% for the CMRT and 73% for the EMRT for 170 suppliers.

# IN MEMORIAM

## L.J. MIDGE VERPLANK

Midge co-founded Shape Corp. in 1974 alongside his brother, Gary, who preceded him in death in 2019. Midge founded, acquired and shepherded a variety of businesses in the Grand Haven area and was a humble but impactful supporter of a great diversity of charitable needs in his hometown and beyond. He strongly believed that businesses exist for the betterment of the community, playing an important role in improving the lives of people in the community, a principle that we still hold dear today. He was a humble and generous person who provided guidance and support to many, always willing to communicate with his people, focused on fairness and treating them right. He was also deeply involved in various charitable activities, using his resources and influence to make a positive impact. He was a dedicated member of the Shape board, rarely missing a meeting, and always contributing his valuable insights and expertise. His daughter Melissa Verplank describes him as “generous with his family, generous with his community, generous with his businesses”.



## PETE STURRUS

Pete joined Shape in 1977 as an engineering manager, took the lead as President starting in 1989, and served as a board member starting from his retirement in 1999. He was a creative and people-focused businessman who was foundational to Shape’s entry into the automotive industry. In his time as an engineering manager, he invented one of Shape’s core technologies, a tubular roll-formed bumper. Shape obtained a patent for this invention (one among many that were acquired under Pete’s design!) and it was a major driver in the company’s transformation from office furniture supplier to an automotive Tier 1 crash management leader. Pete was also a generous donor to a variety of academic and community-based causes, and his name graces the Technology Center at Muskegon Community College as well as the Additive Manufacturing Center of Excellence at Meta Tool Technologies. In remembering Pete, our Co-Executive Chairman Tony Verplank said, “Our team members, the community and the shareholders benefitted greatly from his unyielding passion and deep belief we could accomplish anything we put our minds to. He will be deeply missed by everyone who knew him.”





THINKERS.  
BELIEVERS.  
DOERS.

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