

# INTEGRATED REPORT 2021



Intelligent. Integrated. Inside.

# 01

## Antolin today

### A history of leadership

*For over seventy years, we have been working with the most valuable raw material in the universe: commitment. Thanks to this way of understanding our work, we have been able to transform the trust shown by our customers into specific solutions to contribute to the revolution of the new mobility. With the same enthusiasm as we had on day one and with our trademark refusal to conform, we want to go further: promoting the creation of value in our entire environment and doing this while being proud of what we are today and what we will continue to be tomorrow.*



# 1.1.

## Conversation with the **Chairman**

### Ernesto Antolin

Chairman of Grupo Antolin



- › **In Grupo Antolin's last report, you summed up the 2020 financial year with two words: responsibility and solidarity. What words or what headline would you use to summarize Grupo Antolin's performance during 2021?**

The 2021 financial year has been very complex for the entire industry as a consequence of the global economic effects the pandemic has continued to cause; the most significant being the disruption to the global supply chain, but we should also not forget the inflationary pressure through raw materials and logistics. It is undoubtedly a challenging situation, but the strength of large companies is being demonstrated at this time and I believe that Grupo Antolin has been able to rise to the occasion. Thanks to our teams, who are the heart of our business, we have once again shown our great capacity for adaptation, flexibility and efficiency in responding to this environment.

- › **A major milestone this year is approving the new environmental, social and governance objectives to continue developing its sustainable business model. What has been considered when defining these and what does it mean for the company?**

The approval of the new objectives is another very important step in our commitment to our activity helping in some way to build a fairer and better planet in all regards: environmental, ethical, respect for Human Rights, development of talent in the new generations and more. As companies we are not isolated entities, but rather key members of the society in which we live, so we have a big responsibility to contribute to its development and well-being. This is even more true for a company with the characteristics of ours, which is so diverse, with many nationalities and operating in dozens of locations throughout

*With the determination to be better each day, we continue to build a business model that seeks to have a positive impact on our stakeholders, while moving forward with the strategy to establish ourselves as a provider of innovative and advanced vehicle interior solutions*

26 countries; many in small towns where we are the leading employer. With this conviction, the objectives seek to generate value in three main areas –Planet, People and Business– through specific and tangible initiatives, which have been being developed for years, but which will now gain new momentum and strength. The framework for action for all of this is the 2030 Agenda, its associated objectives and goals, and the 10 Principles of the Global Compact to which we have been fully committed since 2004.

- › **The automotive industry is facing a particularly challenging situation due to the demands arising from a new way of understanding mobility. How is Grupo Antolin responding to this enormous challenge?**

First of all, what we are certain about is that the vehicle will continue to be the main element in the new mobility, as it has been for more than a century, but it will be a completely transformed vehicle that is more focused on people and their real needs. A vehicle that will offer services and features never seen before that will make it a more important space in our daily lives. Connectivity, digitalization and sustainability are the key elements of that transformation. At Antolin, we want to participate through our specialist area, the vehicle interior, to help create a smart space that focuses on the passenger, providing safety, comfort, entertainment and, of course, all this in a more sustainable compartment. The business strategy we launched three years ago follows this road map and we are making progress along the right path.



*Our engineering teams are developing sustainable products and solutions that offer a differential value to the customer, who need their key suppliers if they want to meet their environmental objectives*

› **What milestones or initiatives within that strategy would you highlight for this financial year?**

I believe that all the work on the development of new solutions that add more value to our products by incorporating electronics and lighting content has been very important. For example, we won the contract for the first touch control unit project, which brings together a sophisticated decorative design, ambient lighting, capacitive switches and electronics into a single part. We have also expanded our strategic partnerships and it is worth highlighting the new joint venture with NAEN that has improved our capacities in advanced electronics in the Chinese market. In terms of innovation, we presented the two new virtual Concept Cars to the market and to the customers. These reflect our vision of the vehicle interior of the future and the innovative solutions on which we are working. We were also at the Shanghai Auto Show for the first time, showcasing our disruptive technologies in three strategic areas: cockpits, electronics and lighting & HMI (Human Machine Interface).

› **As you explained, innovation and technological development play a central role in the strategy. What are the key elements of this commitment to innovation as a core business strategy?**

When we talk about innovation at Antolin, we are not just referring to what happens in the Innovation Department. We are referring to 360-degree innovation as the foundation for a working culture that is always open to new ideas and that promotes boldness with the ultimate goal of seeking the best solution, product or process. It is an innovation that puts the customer at the center and it is a key piece in the development of the company's sustainable business model. Starting from this principle, we are taking advantage of the full potential offered by digitalization and new technologies in the research and development of

processes and products with the idea of adding value. During the year, progress has been made in all fields, from topics very closely linked to the pandemic, such as work on purification systems inside the vehicle, to more disruptive actions such as research into the potential for nano-fibers to improve hydrogen fuel cells. Many advanced industry projects are also being applied at our plants and these allow us to be more efficient and competitive.

› **What progress has been made during 2021 in the objectives of transitioning toward a low-carbon economy and moving towards the circular economy? How has Grupo Antolin contributed to these new demands?**

Innovation and technological development are also behind our progress in the circular economy and support for the decarbonization of the industry.

In this regard, we are working on reducing the weight of the components, which is essential if we are going to help the brands roll out electric vehicles, and on using natural and recycled materials. The best example is the development of overhead systems with sustainable solutions that use material from urban waste and used tires. Few companies in the industry have the experience and knowledge to innovate in traditional products, such as a headliner, and turn them into a more sustainable solution. Meanwhile, we are making great efforts to improve the circular economy in our own value chain by working with our suppliers, as well as the new objectives that we have set to reduce the emissions from our centers with the goal of being a completely carbon neutral company by 2050.

› **Does this profound transformation that the sector is undergoing also imply a change in the way professionals in the sector work? What is the role of a company like Grupo Antolin in this phenomenon?**

If we want to adapt to the rapid changes in our industry, we must strengthen our working culture by improving our people management strategy in all aspects: leadership, talent management and training.

Our responsibility as a company is to create an ideal working environment, one that is safe, diverse, motivating and that encourages continuous learning, and to provide the appropriate tools and knowledge to achieve this. In the area of talent, which is key to the success of any company, employees must be offered training and professional development opportunities and we must ensure that we have the appropriate people that we need today and, above all, that we are going to need in the future. We are therefore strengthening our dual training and young talent development programs and expanding agreements with national and international universities.

› **Let's take a moment to think about the future three years from now. How do you see it as the chairman of a large company like Grupo Antolin?**

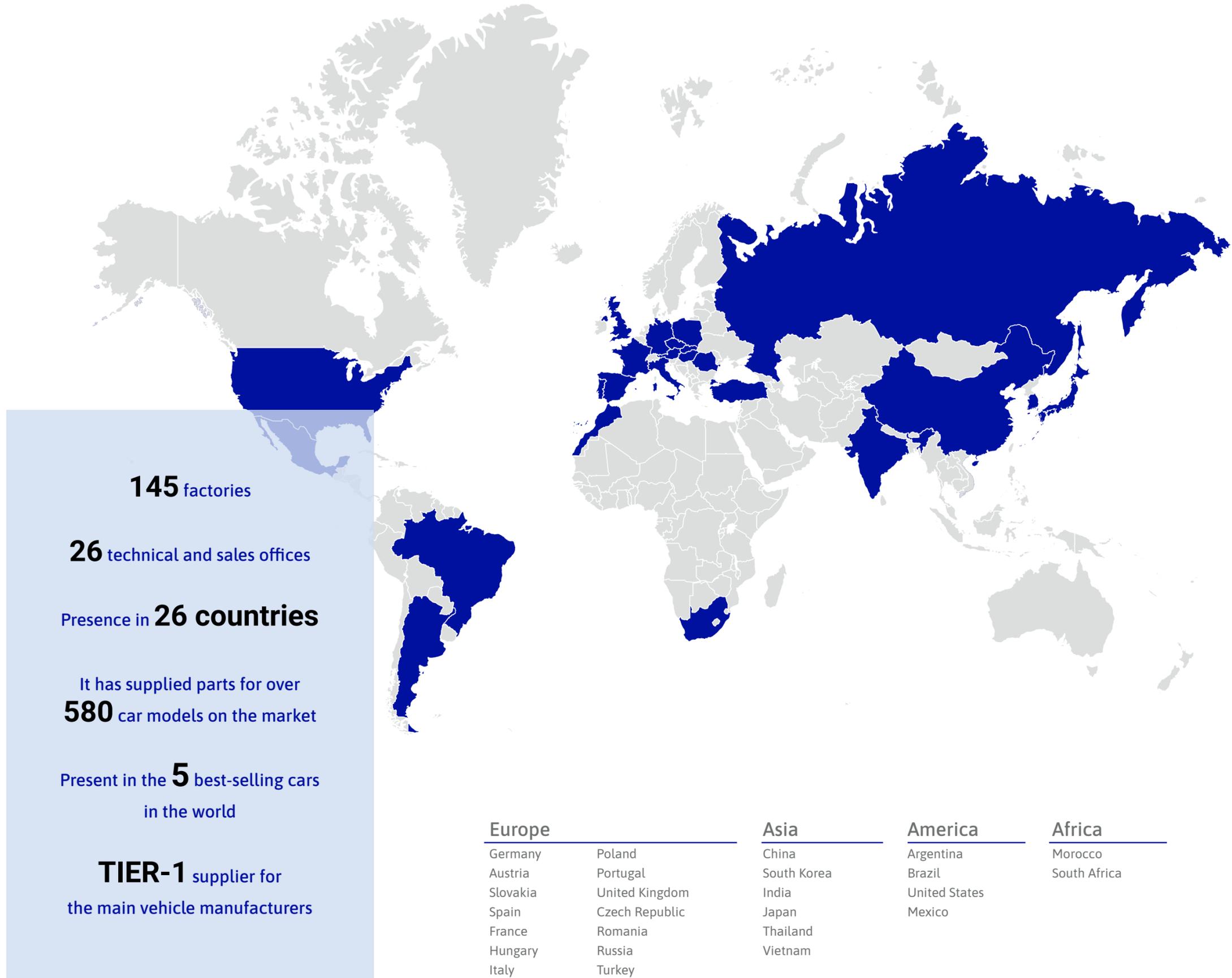
We are facing tough challenges due to the stoppage of customer production resulting from the semiconductor crisis and the rise in raw material prices, but we have the ability to overcome them and come out stronger thanks to hard work, commitment and our ambition to be the best, which have been the essential factors, together with the commitment to innovation, in turning us into one of the market leaders in vehicle interiors. This combination will allow us to grow in the coming years in such a way that we can help improve mobility by creating smart interiors in permanent partnership with our customers. I am also confident that we can continue to generate social well-being and wealth in our regions.

*At Antolin, our working culture seeks excellence and this means that every person who makes up the company works every day to give the best of themselves*

# 1.2. We are global

Grupo Antolin is a global supplier of technological solutions for the vehicle interior with the most complete and extensive offer on the market. With a presence in **26 countries**, it has nearly **145 plants** in which close to **25,000 professionals** work. Grupo Antolin's activity started over 70 years ago as a modest family business founded in a small workshop in the city of Burgos and it continues to preserve the deep-rooted values of family companies: a long-term vision and a close relationship between the business and the owners and management.

The key to Grupo Antolin's success over these years has been its permanent innovation and the talent and effort of its staff, accompanied by a strategy based on internationalization, as well as management inspired by excellence and continuous improvement. Under these premises, the company has become a Full Service Supplier capable of accompanying the customer in the full product cycle, from conception and design to the manufacture and delivery of the series. All this following a sustainable model that puts all its stakeholders at the center: customers, professionals, investors, the supply chain and society as a whole.



# 1.3. 2021 Milestones

## Innovation and technology

- ✓ Participation in **virtual CES** to present its two new virtual Concept Cars.
- ✓ Partnership with **Net4Things**: to research the connected car.
- ✓ **Plug and Play and Startup Autobahn** platforms: expansion of the innovative ecosystem.
- ✓ Entry into the **Car Connectivity Consortium**: development of Car Entry Systems.



- ✓ **Joint Venture with NAEN** in China to develop integrated electronic solutions for the vehicle interior.

- ✓ Recognition of a student from the Polytechnic University of Valencia as winner of the Grupo Antolin **Design Challenge**.



- ✓ **New claim** *Intelligent. Integrated. Inside.* Presentation of the new claim as part of the company's new brand positioning, which focuses on leading the change that the industry is experiencing through the interior, the vehicle and people.

- ✓ Creation of the **Automotive Innovation Lab**.



- ✓ Antolin Chengdu: **Volvo Cars Green Energy** award, which recognizes the sustainable supply chain.

## Sustainable and responsible business

- ✓ Grupo Antolin-Salttilo received the **Health and Safety** distinction.
- ✓ Recognition from **Forética** during the JOBS 2030 meeting.
- ✓ Grupo Antolin-Silao received the **Activated Company** distinction from the Sports Commission of the State of Guanajuato (Mexico).
- ✓ Grupo Antolin-Tlaxcala given an award by **Geocycle**.
- ✓ Grupo Antolin-Autotrim recognized by **Asepeyo** for occupational risk prevention.

- ✓ Grupo Antolin renews its commitment to **entrepreneurship with POLO Positivo**.



- ✓ Collaboration with **Unicef** to improve **access to the COVID-19 vaccine**.

- ✓ eBú has received recognition through the **EPD** certificate.
- ✓ Participation in the **Ibercaja Sustainability Week**.
- ✓ For the tenth consecutive year, **Global Compact** has granted Grupo Antolin's Progress Report the Advanced Level.
- ✓ Presence in the **Dossier of Guiding Principles** on Business and Human Rights of the Global Compact.
- ✓ CSR Europe includes Grupo Antolin as an example of good practice in **Workforce transition**.
- ✓ Participation in the **Dual Education forum of Vocational Education in Shenyang**.

- ✓ Presence on the round table of the **Institute of Governance and Society** (Instituto de Gobernanza y Sociedad) and the **Institute of the Company** (Instituto de Empresa).



- ✓ Grupo Antolin-RYA in the European project, **Working Age**.

## Winner of awards from its customers

- ✓ Changshu Antolin: award from **Jaguar and Land Rover JLRQ**.
- ✓ Grupo Antolin, **General Motors 2021** award as supplier of the year.



- ✓ Grupo Antolin-Salttillo recognized by **General Motors**.



- ✓ Grupo Antolin-India recognized by **Chennai Ford**.
- ✓ Irauto granted an award by **General Motors**.
- ✓ Trimtec and Intertrim have been given an award by **Honda** in Brazil.
- ✓ Grupo Antolin-Primera (Louisville), winner of the award **Ford Q1**.
- ✓ **Supplier Quality Excellence Award** from General Motors to Grupo Antolin-Salttillo, Grupo Antolin-Michigan, NHK Antolin Thailand and Grupo Antolin-India.

## Other Recognitions

- ✓ **City of Burgos** Award for Knowledge and Innovation won by Antolin.



- ✓ Industrial company with the best reputation in Spain according to **Merco Empresas**.
- ✓ Award for the "inAntolin" internal communications strategy.
- ✓ **FACYL** recognition for its founding partners on its 20th anniversary.

- ✓ José Antolin Toledano won the **Castile and León Emprnde 2021 Lifetime Award**.



- ✓ Grupo Antolin, winner of the Best Internal Brand category at the **Aebrand Awards** (Spanish Branding Association).
- ✓ **Recognition for Maria Helena Antolin** at the end of her term of office as Chair of the Spanish Association of Automotive Suppliers (Sernauto).

## Present at leading events

- ✓ Breakfast at Cibeles Palace with the Mayor of Madrid on **International Women's Day**.
- ✓ International Conference on Plastics in the Automotive Industry.
- ✓ Round table on industry during the third edition of the **MOVES** program, organized by the Ministry for Environmental Transition.
- ✓ Participation in the **35th IESE Mobility Conference**.
- ✓ Round table on *Circular economy, an opportunity for the company* at a conference by the **General Directorate for Quality and Environmental Assessment**.
- ✓ Support for the *Choose France* initiative at the 4th International **Business Summit** Event.
- ✓ Round table on the Automotive and Aeronautical sector on the occasion of preparing the **2nd Industrial Promotion Master Plan 2021-2025 of the Regional Government of Castile and Leon (Spain)**.

- ✓ 35th Meeting of the Digital Economy and Telecommunications #santander35 of **AMETIC**.

- ✓ 3rd **Women and Leadership** Conference organized by @50&50 within the 2nd Young People and Leadership program, sponsored by Grupo Antolin.



- ✓ **7th European Funds Forum**, the keys to recovery organized by KPMG and the EFE agency.
- ✓ 25th Anniversary of the **Spanish Federation of Technology Centers (FEDIT [Federación Española de Centros Tecnológicos])**.
- ✓ **National Family Business Conference**.
- ✓ **Centennial Conference of the College of Engineers of ICAI**.

## Global pride of belonging

- ✓ **Meetings with the CEO:** Virtual meeting of the chief executive with the company's directors.



- ✓ **6th Global Meeting**, the company's main communications event.

- ✓ **3rd Values Awards**, which recognize the employees and teams that best represent the company's values.

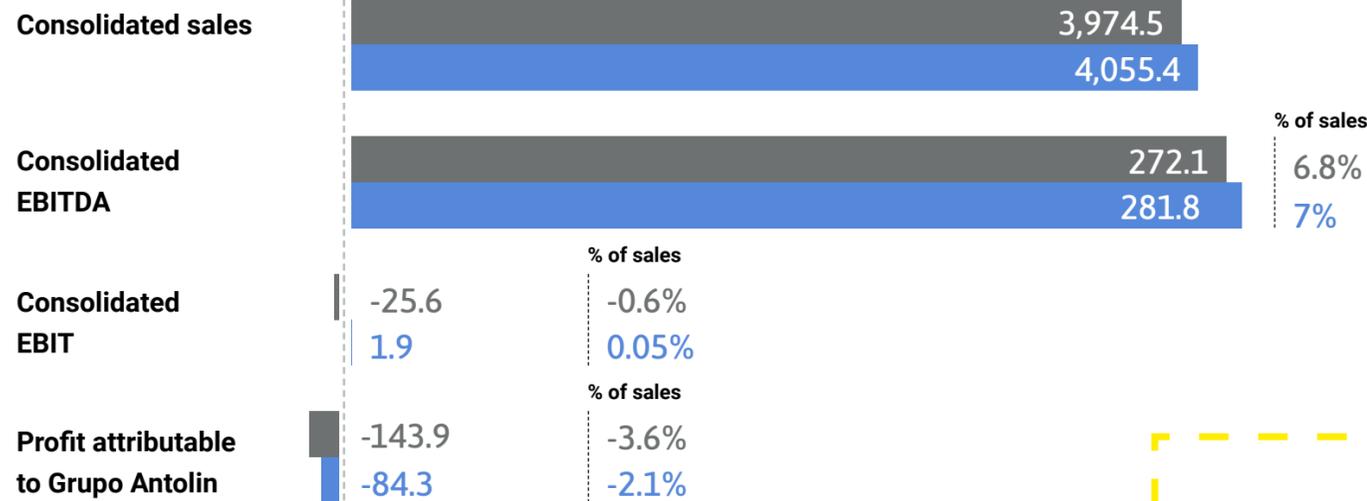
- ✓ **Visit by Ernesto Antolin**, Chairman of Grupo Antolin, to several of the company's plants.

- ✓ **13th anniversary of Grupo Antolin-Sibiu**.

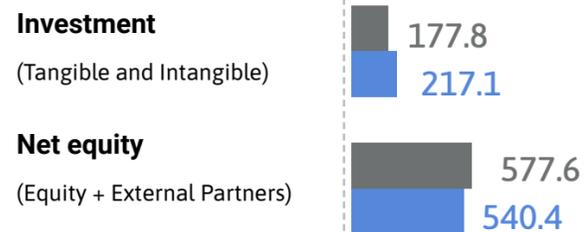
# 1.4. Key factors for the year

## The year in figures

Millions of euros  
2020 - 2021



Millions of euros  
2020 - 2021



■ 2020 ■ 2021

2021 figures prepared in accordance with International Financial Reporting Standards (IFRS-EU), applying IFRS 16.



### Global business

**145** factories in **26** countries.

Over **100** vehicles launched in 2021 equipped by Grupo Antolin.

Over **80** vehicle brands with Grupo Antolin solutions.

**€1,937M** in purchases of direct material from first-tier suppliers.

**€1,000M** of spending with local suppliers.

**98%** reporting of suppliers identified with conflict minerals.

Investment in R&D+i of **€125.22M**.



### Unique talent

**1,567** professionals in technology-related jobs.

**940,000+** training hours, **37.83** per employee on average.

**97.77%** of professionals with permanent contracts.

Decrease of **2.46%** in the Frequency Rate and of **16%** in the Severity Rate.



### Conscious leadership

**10** Board of Directors meetings.

Joint Advisory Board.

Increased female representation in the Management Committee.

**5,000+** training hours on Compliance and Human Rights.

**59%** of direct material suppliers assessed with ESG criteria.



### Environment management

**27%** reduction in total scope 1 and 2 emissions (base year: 2019).

Increased use of renewable electricity by **3.2%**.

**113** people dedicated to the prevention of environmental risks.

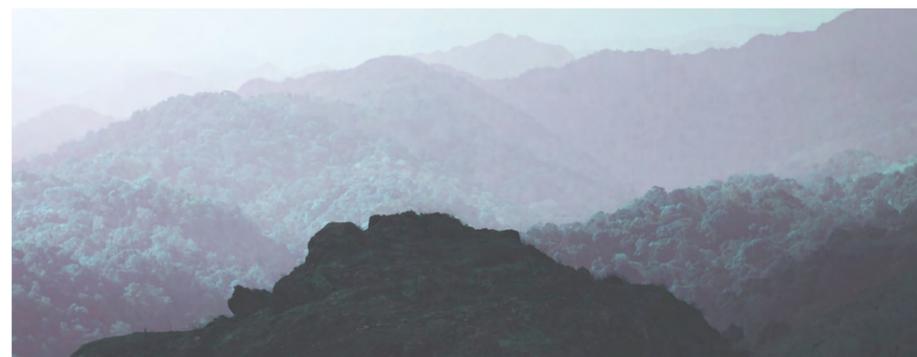
**97** centers certified in ISO 14001.

**6** centers certified in ISO 50001.

Extension of the sustainability objectives to the supply chain.

Measurement of the scope 3 footprint for transportation at **44** plants.

**€855,000+** of social contributions. (**€34.19** per employee.)





**Intelligent. Integrated. Inside.**

[www.grupoantolin.com](http://www.grupoantolin.com)

