

# INTEGRATED REPORT 2021



Intelligent. Integrated. Inside.





# 03

## Business model

### Solutions for the vehicle of the future

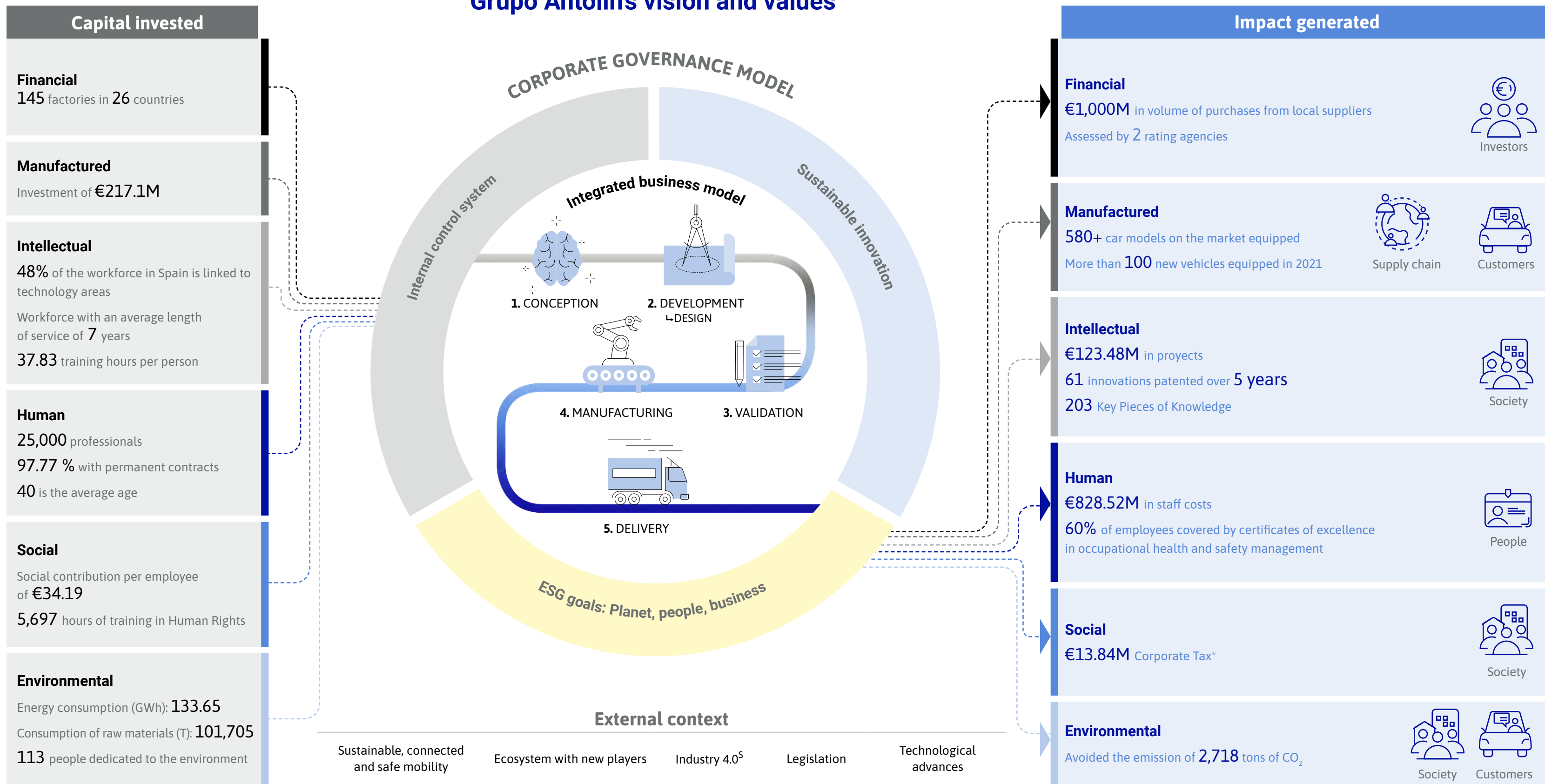
*When everything is constantly changing, it is equally important to keep moving and to know how to advance from solid foundations. Grupo Antolin's business model combines its experience of over 70 years with the continuous search for innovation, excellence and quality in everything it does. Finding new approaches to meeting mobility challenges would never be possible without highly qualified, committed, and diverse talent.*



# 3.1. Integrated business model

The **creation of value** is one of Grupo Antolin's raisons d'être. The company invests all the resources available to it –economic, material, intellectual, human, social and environmental– to generate, through its activity, a positive impact on its environment and its stakeholders.

## Grupo Antolin's vision and values





*In 2021, Grupo Antolin's components were in more than 580 vehicle models*

Grupo Antolin's value creation process cannot be understood without considering the foundation provided by its **solid Corporate Governance**, sustainable innovation strategy and firm commitment to the ESG goals. At the core of everything is an integrated business model with a great capacity to adapt to the challenges of the environment, which are changing now more than ever as a result of the boom in sustainable and connected mobility.

Grupo Antolin is synonymous with leadership and with being a global benchmark in the **design**,

**development, manufacturing and supply of interiors for vehicles**. Always at the cutting-edge, the company offers a wide range of solutions that the main brands in the automotive market incorporate into their products. In 2021, components developed by Grupo Antolin were present in more than 580 vehicle models, as well as in the five best-selling vehicles on the market and the top ten in Europe.

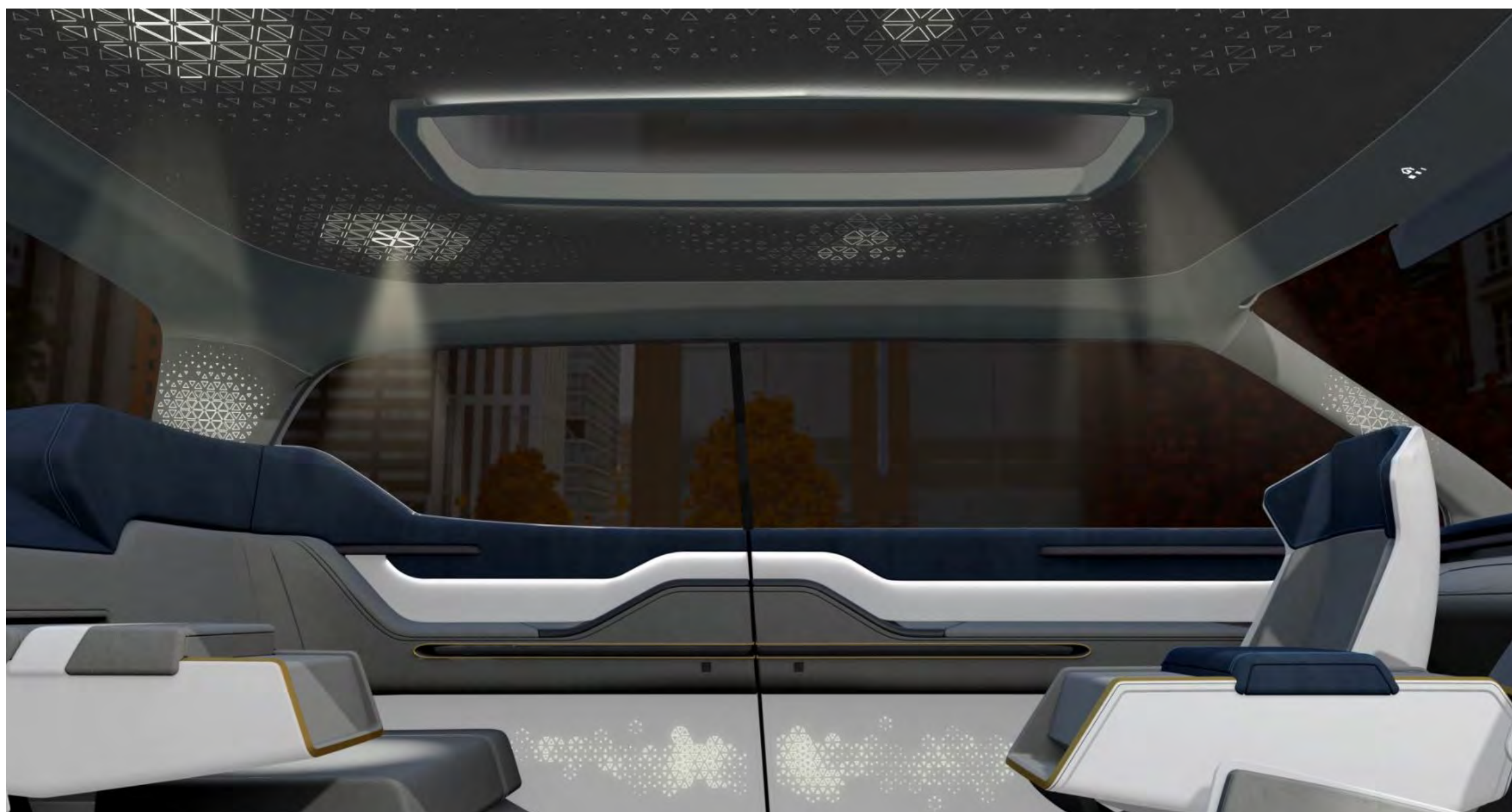
The largest manufacturers in the sector rely on the solidity provided by Grupo Antolin's more than seventy years of experience, and also on its strong

commitment to evolving and remaining at the cutting-edge when it comes to providing quick responses to the challenges of the new mobility. To do this, **innovation** –one of the pillars of the company's business model– is a strategic factor that allows it to integrate new smart solutions into the vehicle interior that are capable of offering new experiences based around more sustainable and safer driving.

However, if there is one thing that really makes the difference at Grupo Antolin and lifts its business model, it is the commitment to attract and retain **diverse and highly qualified talent**. More than 25,000 professionals in 26 countries contribute their knowledge, skills, and ideas to achieving the objectives year after year. Aware of this, the company promotes the training of its staff, encourages their innovative spirit and strengthens the link with Grupo Antolin's values; all this in an environment in which health, safety and well-being in all their aspects is guaranteed.

Together with these elements, **extensive industrial experience, technological leadership**, a strong **diversification of income** and a **strategic geographical expansion** focused on the customer are the great pillars on which the company's financial and operational success is based.

In its eagerness to lead the technological transformation taking place in the automotive sector, Grupo Antolin has positioned itself as an integrator of complex solutions, especially in the areas of electronics and lighting for automotive interior components. In this way, in addition to adding value to its extensive range of products, the company offers its customers the highest performance in multi-technology solutions.



## WHAT WE DO AND HOW WE DO IT

### 1. Conception

Innovative solution for the needs and expectations of customers and their consumers

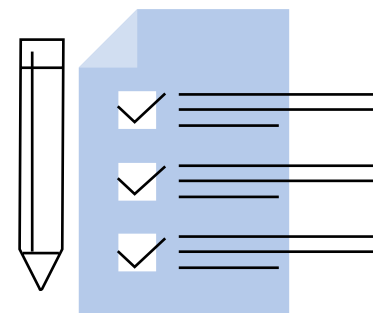
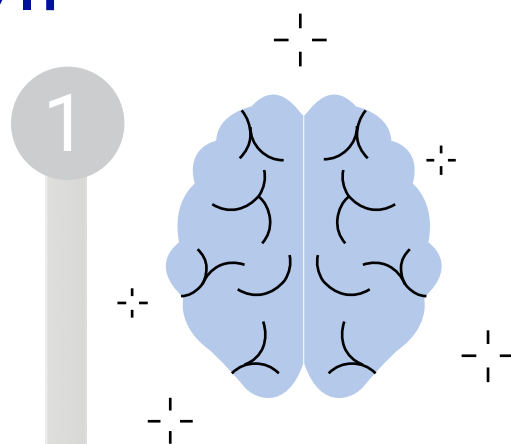
26 technical-sales offices  
€125.22M in R&D and innovation spend  
785 technical solutions  
84 active innovation lines  
2,607 patents  
12 technological solutions available to the market  
1,567 people in technology-related jobs

### 2. Development

↳ Design

Definition of the product and service according to the customer's requirements

3,229,115 hours of development  
44 design and simulation centers  
346 projects in the development phase



### 3. Validation

Acceptance by the customer and the company in charge of the production and supplier appointment

56 STA's (operational level)  
€1,937M in volume of purchases from leading suppliers of direct material  
2,792 suppliers of direct material  
€1,000M in volume of purchases from local suppliers  
59% direct material suppliers assessed for ESG

3

### 4. Manufacturing

Start of mass manufacturing of the product to the highest quality

145 factories and JITs  
26 countries  
€217.1M investment  
52 ISO 45001  
60% of the workforce covered by ISO 45001 Certification  
97 ISO 14001 centers  
6 ISO 50001 centers  
105 ISO TS16749  
3.57 Accident frequency rate

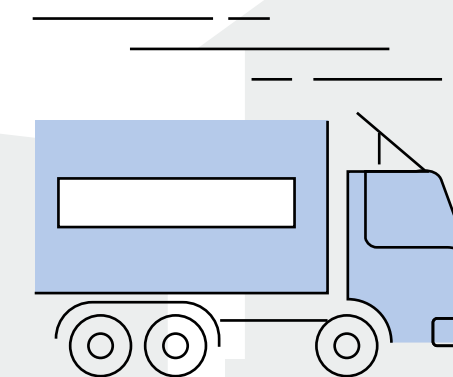
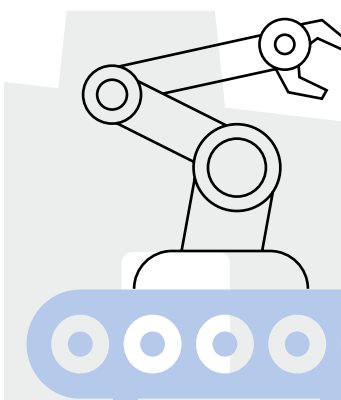
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### 5. Delivery

Sequenced supply of the customer's final product

€4,055.35M in sales  
More than 580 vehicle models  
More than 80 vehicle brands  
49.1% sales in Europe  
32.9 % sales in NAFTA  
38.5% of sales in doors  
37.5% overheads unit sales  
16.6% of sales in instrument panels  
7.2% of sales in lighting

5





## Grupo Antolin in the new mobility ecosystem

The automotive sector is experiencing a production and business paradigm shift that is radically transforming its traditional value chain. In recent years, we have transitioned from a linear format to a model in which multiple agents connect and overlap in relation to the different uses of the vehicle and its entire life cycle. It is an entire **flexible and interconnected ecosystem** based on the integration of processes, devices, applications and people.

In this new ecosystem, the **collaboration and interconnection between different value chains** is fundamental: from vehicle manufacturers to operators that guarantee connectivity, technology companies, electricity companies, financial institutions, regulatory authorities and traffic managers, internet providers, fleet managers, data aggregators and infrastructure managers, among many others.

Vehicles are no longer just a means of transport to move from one point to another: they are now the reflection of **increasingly demanding consumers** who want tailor-made, comfortable, sustainable, safe mobility and who demand transparency, flexibility and immediacy from manufacturers. We have switched from journeys to experiences.

Another broad trend that has resurfaced post-pandemic is that, instead of buying their own vehicle, the consumer is opting for **car sharing**: a new mobility solution that is less expensive and more adapted to the real consumption needs in large cities. This new reality requires comfortable and safe interiors that are also especially robust given their continuous use. The car sharing phenomenon has strengthened the vision of the vehicle as a service –and not just as property– in the market.

Companies like Grupo Antolin are ready to connect, interact, cooperate and learn together with new partners, creating **cross-cutting value chains** in which industrial, technological and service companies form a part. All of them must undergo a profound period of transformation in which they will no longer only have to focus their models on production and sales, but also direct them towards the different uses and life cycles of the vehicle.

*Grupo Antolin is ready to cooperate with new partners and create new cross-cutting value chains*



## 3.2. Global automotive market

### SALES IN 2021

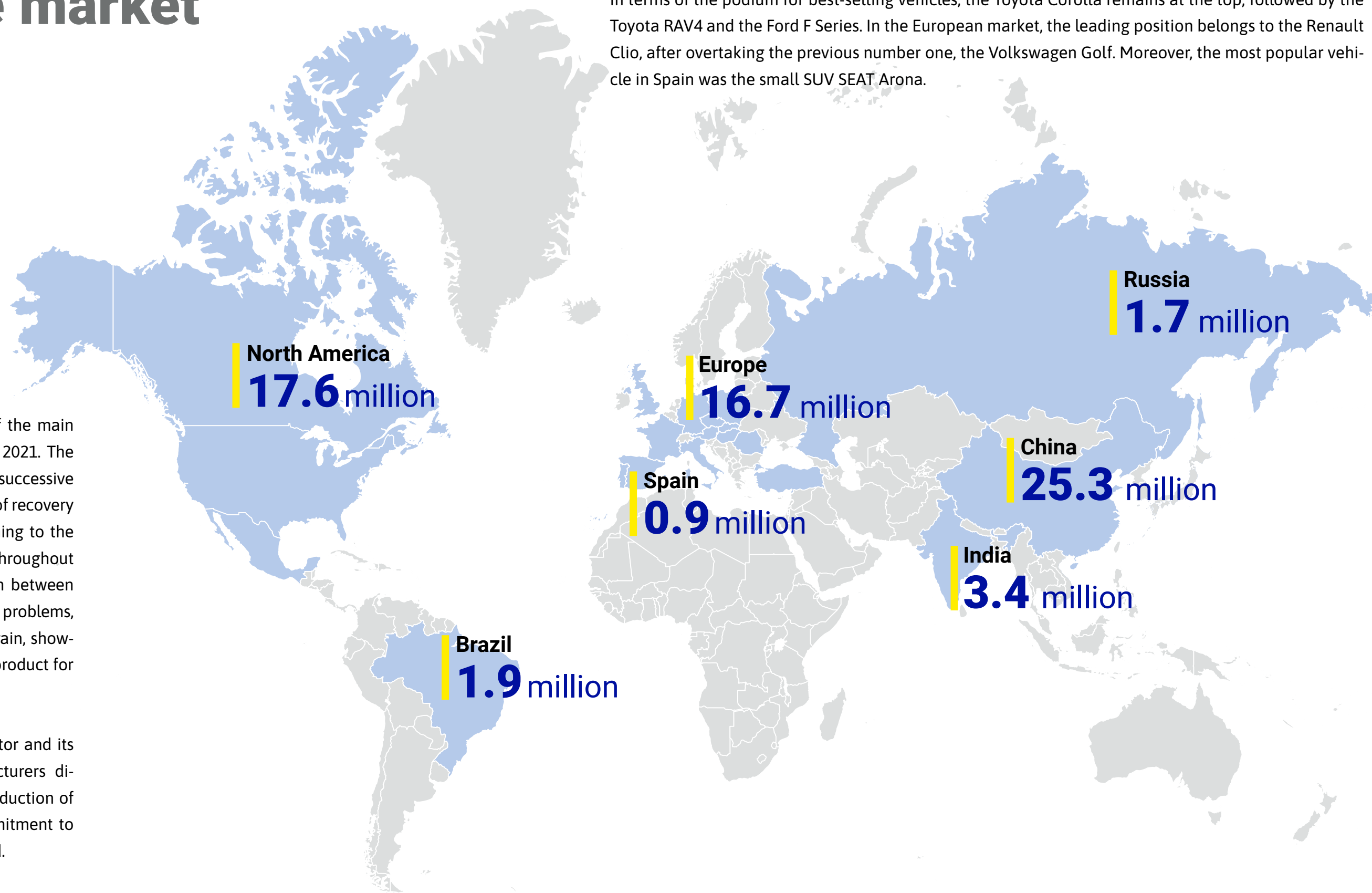
**81.1 million** vehicles  
worldwide

Volatility and uncertainty were two of the main words used to describe the market in 2021. The shortage of semiconductors and the successive variants of COVID-19 affected the rate of recovery and prevented the market from returning to the figures seen prior to the pandemic. Throughout the year there was a strong mismatch between production capacity, reduced by supply problems, and vehicle demand, which shot up again, showing that the car continues to be a key product for people's mobility.

As a result of the resilience of the sector and its spirit of adaptation, vehicle manufacturers directed their strategies towards the production of more profitable models and the commitment to electric vehicles, which has accelerated.











Finally, 2021 finished with over 81 million units sold, a 4% increase compared to 2020 but still a long way from the figures recorded before the crisis.

In terms of the podium for best-selling vehicles, the Toyota Corolla remains at the top, followed by the Toyota RAV4 and the Ford F Series. In the European market, the leading position belongs to the Renault Clio, after overtaking the previous number one, the Volkswagen Golf. Moreover, the most popular vehicle in Spain was the small SUV SEAT Arona.















## Grupo Antolin in the Top 10 in global sales

				
1	2	3	4	5
<b>Toyota Corolla</b> License plate lamp (China), headliner substrate (Europe and South America), sunvisors (Europe and South America), lighting console, door panels, center console, ambient lighting and multipurpose lamp (Europe), package tray (South America)	<b>Toyota RAV4</b> Lighting console (Russia)	<b>Ford F-Series</b> Modular headliner, lighting console	<b>Honda CR-V</b> Modular headliner (Thailand), headliner substrate (India), lighting console	<b>Toyota Camry</b> Headliner substrate (Europe)
				
6	7	8	9	10
<b>Chevrolet Silverado</b>	<b>Ram Pick-Up</b> Modular headliner, lighting console, door panels	<b>Honda Civic</b> Headliner substrate, side repeater, multipurpose lamp, pillar trim (South America), package tray (South America)	<b>VW Tiguan</b> Modular headliner, door panels (North America)	<b>Tesla Model 3</b> Modular headliner (China)



## Grupo Antolin in the Top 10 in European sales

 <p><b>1</b></p> <p><b>VW Golf</b></p> <p>Headliner logistic services, ambient lighting</p>	 <p><b>2</b></p> <p><b>Peugeot 208</b></p> <p>Headliner substrate, sunvisors, window regulators (plastic), ambient lighting, license plate lamp, central high mounted stop lamp</p>	 <p><b>3</b></p> <p><b>Dacia Sandero</b></p> <p>Headliner substrate, window regulators, lighting console</p>	 <p><b>4</b></p> <p><b>Renault Clio</b></p> <p>Window regulators (plastic), door electronics, sunvisors, day running lamp, lighting console, bumper reinforcement</p>	 <p><b>5</b></p> <p><b>Peugeot 2008</b></p> <p>Sunvisors, window regulators (plastic), lighting console, ambient lighting</p>
 <p><b>6</b></p> <p><b>VW T-Roc</b></p> <p>Modular headliner, window regulators, lighting consoles</p>	 <p><b>7</b></p> <p><b>Toyota Yaris</b></p> <p>Sunvisors, lighting console, reading light, headliner substrate (emerging markets)</p>	 <p><b>8</b></p> <p><b>Opel Corsa</b></p> <p>Window regulators (plastic), sunvisors, lighting console</p>	 <p><b>9</b></p> <p><b>Fiat 500</b></p> <p>Modular headliner, lighting console, glovebox lamp</p>	 <p><b>10</b></p> <p><b>Citroën C3</b></p> <p>Window regulators, sunvisors, lighting consoles, central high mounted stop lamp, plastic parts for the door panel</p>

## Grupo Antolin in the Top 10 in US sales

1



### Ford F-Series

Modular headliner, lighting console

2



### Ram Pick-Up

Modular headliner, lighting console, door panels

3



### Chevrolet Silverado

4



### Toyota RAV4

Lighting console (Russia)

5



### Honda CR-V

Lighting console, modular headliner (Thailand), headliner substrate (India).

6



### Toyota Camry

Headliner substrate (Europe)

7



### Nissan Rogue

Lighting console

8



### Toyota Highlander

License plate lamp

9



### Honda Civic

Headliner substrate, side repeater, multipurpose lamp, pillar trim (South America), package tray (South America)

10



### Jeep Grand Cherokee

Reading lights, multipurpose lamp, illuminated decorative part (speaker), infrared camera module (headliner)



## Grupo Antolin in the Top 10 in Chinese sales

1



### Nissan Bluebird/Sylphy

Lighting console, sunvisors

2



### Wuling Hongguang Mini EV

3



### VW Lavida

4



### Haval H6

5



### Toyota Corolla

License plate lamp, headliner substrate, and sunvisors (Europe and South America); lighting console (Europe), door panels, center console, ambient lighting and multipurpose lamp (Europe), package tray (South America)

6



### Changan CS75

7



### Tesla Model 3

Modular headliner

8



### Buick Excelle GT

License plate lamp

9



### Wuling Hongguang

10




### VW Bora

## 3.3. Business development

In a challenging situation marked by the side effects of the pandemic on the economy and global supply chains, Grupo Antolin's business model once again demonstrated its strength, flexibility, and resilience. The halting of the full recovery of global vehicle production due to the shortage of semiconductors and the rising prices of raw materials, among other factors, limited the increase in Grupo Antolin's sales during the financial year to 2%, at 4,055.4 million euros.

In parallel to the management and adaptation of the business to the situation in the market, the company remained on course in the process of transforming its product portfolio towards integrated and smart solutions for the vehicle interior. If the industry is moving rapidly towards a more sustainable, connected and technological future, Antolin's activity is not far behind. Its business is transforming in all aspects, led by a team of first-rate professionals.



*Grupo Antolin's business is transforming in all its aspects, led by a first-rate team, to advance toward a more sustainable, connected and technological future*



### Overheads Business Unit

From its position of global leadership in the overheads business, the company is working on sustainable and innovative solutions that allow it to evolve the traditional products in this area and therefore consolidate its positioning, offering differential value to the customer. Antolin wants to meet all the needs of vehicle manufacturers in terms of sustainability, weight reduction, customization and improved safety and acoustics of the overhead system and its different elements.

In 2021, extensive innovation work was carried out by integrating lighting solutions into the overhead system that offer multiple design and customization options, as well as improving the comfort of the passenger compartment. As a key technological milestone, the company has developed the first car overhead system from plastic waste and used tires. This sustainable solution is already found in a new Volvo model and combines sustainability with excellent properties

in terms of quality, cost and durability, while achieving a significant weight reduction. This development is an example of the lines of work to support our customers' electric strategies and opens the door to future projects that will consolidate Antolin's sustainable leadership in this market segment.

The Business Unit won significant orders for Ford and General Motors in North America; Tesla in China; Audi and Renault in Europe; and Hyundai in Brazil for both combustion vehicles and the new generation of electric vehicles. In total, it is working on around 130 projects worldwide.





## Cockpits and Doors Business Unit

The door and cockpit are two essential elements in the transformation that vehicles are undergoing, both for the features and functionalities they offer and for the extensive technology they can incorporate. Aware of this significant role in its strategy of adding more value to products, Antolin's activity in this business segment focuses on providing advanced products and solutions by combining lighting and decorative surfaces.

The sustainability of cockpit and door components is another central axis of the strategy. The exclusive double slush skin technology, which creates a cockpit trim with an unbeatable texture and finish at half the weight and a competitive cost, is already proving popular with customers in Europe. In doors, chemical foaming projects are being developed to reduce the weight of the part. Work is also being done from the introduction of various recycled materials into the components.

This Business Unit's intense sales effort allowed it to consolidate this activity and launch important cockpit programs in 2021 for Ford, General Motors and Skoda, as well as for Volkswagen, Jeep and Seat. In total, the company has 120 active projects in cockpits and doors.

## Lighting & HMI Business Unit

The Lighting & HMI Business Unit is developing over one hundred projects for both its traditional interior and exterior lighting products and for the new HMI (Human Machine Interface) solutions with decorative surfaces and greater electronic content, which open up new possibilities for passenger interaction with the vehicle. Grupo Antolin is capable of fully meeting the demand for smart advanced surfaces with a perfect integration of functions thanks to the close collaboration of this Business Unit with the Electronic Systems team and the support of strategic partners such as Walter Pack and AED.

The HMI and Decorative team continued to define and develop new products, performing sales and promotional activities with customers to demonstrate the company's new capabilities. All this work bore fruit with the awarding of the first Touch Control Unit project, which integrates a sophisticated decorative design, ambient lighting, capacitive switches and electronics into a single part. This project will be entirely produced and developed in Asia for a customer in this market.

It is also worth highlighting several lighting projects in North America with Honda, Stellantis, Nissan and Ford, which consolidate this business in a key market for the company, as well as a contract with the Chinese company Human Horizons



that includes a high content of decoration, electronics, and lighting.

In terms of launches, the first product with ISELED technology was carried out for a BMW doors project, being an example of Grupo Antolin's technological capacity to develop a complete smart lighting system.



## Electronic Systems Business Unit

In its second year of activity, the Electronic Systems Business Unit has established a first-rate multinational and multidisciplinary team, improving its technical capabilities and concluding the definition of its product portfolio. Electronic Systems is a key part of the strategy to develop new solutions with greater value for the customer in close collaboration with other units of the company.

Thanks to this commitment to offer customers more advanced solutions, it managed to win the contract to supply a new generation of the Door Control Unit (DCU) for the new electric SUV from the Geely-Volvo group. This project is on a global scale given that it involves the support of its partner AED Engineering in Europe, in the electronic engineering part during the development phase, and in addition the

industrialization will be led by the new partnership sealed in China with Shanghai NAEN Auto Technology.

Thanks to NAEN, Grupo Antolin is strengthening its commitment to the Chinese market, a key element in the company's strategic development, and provides the best technologies with high added value to all its customers. Remaining in China, other DCU and overhead control systems program contracts were won, allowing it to consolidate its position in this market segment.

This Business Unit also collaborated with the company's other departments on an important electronic development for a Volkswagen lighting project in an example of cross-cutting teamwork.

In the past year, the Electronic Systems Business Unit expanded its technical knowledge in order to enrich its portfolio of electronic products, such as Car Entry Systems based on a variety of technologies for the development of digital keys, as well as smart driver monitoring systems (DMS) and occupant monitoring systems (OMS). To do this, it joined the multi-sectoral organization Car Connectivity Consortium (CCC), which is key to accessing and participating in the definition of global standards and the advanced technologies for connectivity between the smartphone and the vehicle.



## Good practice

### Antolin's Technology at the Shanghai Auto Show Strategic presence in the market with the greatest growth potential



As part of its strategic commitment to the Chinese automotive market –in which it has been present for 20 years–, Grupo Antolin participated in the Shanghai Auto Show for the first time in 2021. The company presented its disruptive technologies in three strategic areas: cockpits, electronics, and lighting & HMI (Human Machine Interface).

Specifically, it exhibited its smart cockpit, called **INSPIRE**, for the first time, which dazzled with its dynamic lighting to create different driving scenarios, backlit surfaces in unique materials, screen decoration module, stitched light guides, smart decorations, natural active surfaces, light projections and driver monitoring system.

#### SDGs IMPACTED



#### MAIN STAKEHOLDERS INVOLVED



Customers



Investors



Society





**Intelligent. Integrated. Inside.**

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

