

INTEGRATED REPORT 2021



Intelligent. Integrated. Inside.

06 Stakeholders

At the center of everything

Like the cardinal points on a compass, our stakeholders set the course for Grupo Antolin. Our definition of success is that in which the profitability of the business and the creation of value for investors, customers, professionals, and the supply chain coexist in perfect harmony. All of them remind us of one of our founding principles, the reason we aspire to be better every day: people, always at the center of everything.



6.1.

Investors

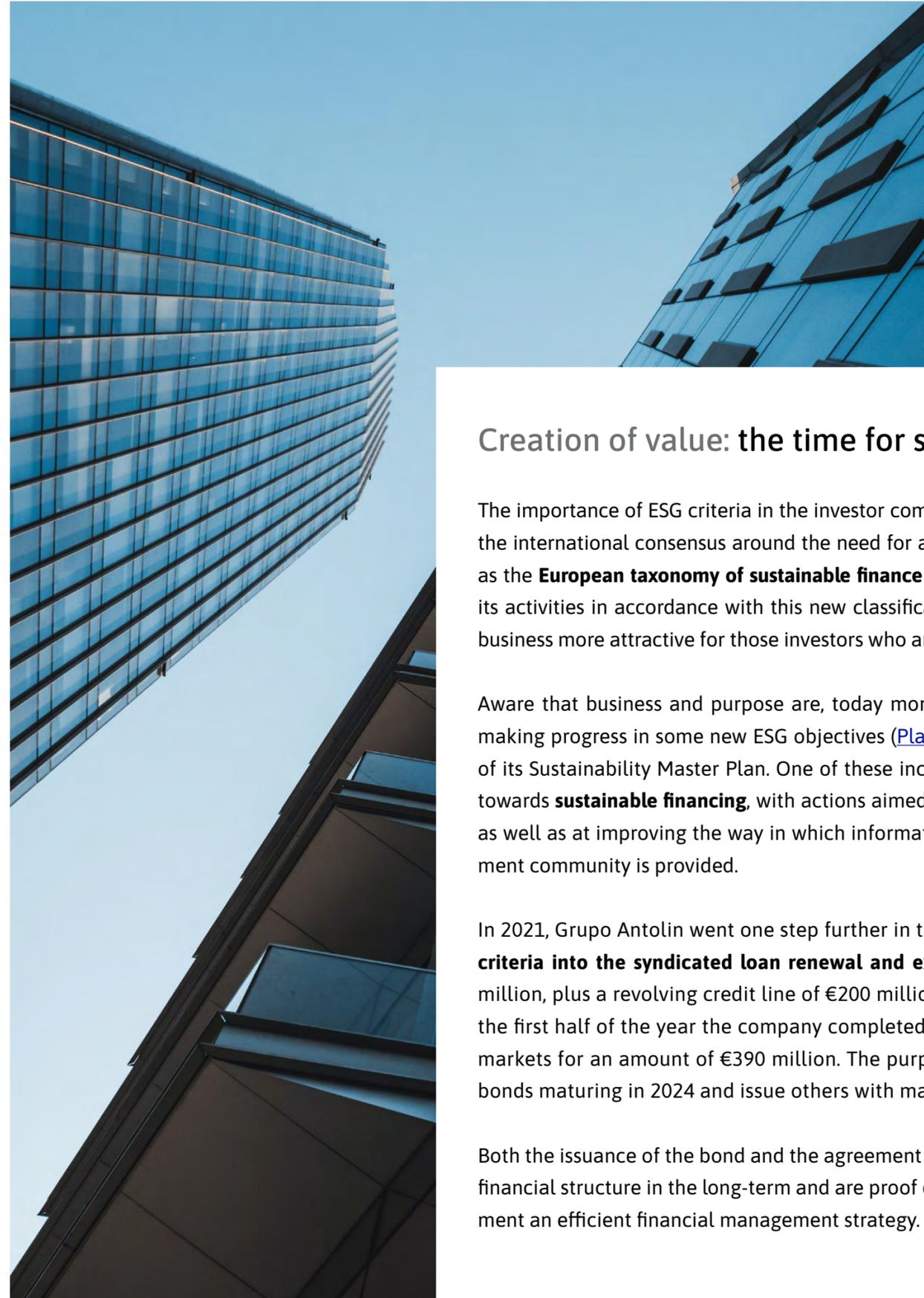


Management approach

Grupo Antolin's adaptation to its environment stems from a rigorous prior internal and external analysis of the organization – teams, processes and practices– through which the company is able to quickly detect its weaknesses and strengths in order to respond to any threat or take advantage of new opportunities. This responsiveness, together with progress in the digitalization of the finance function and strong relationships with the financial community, help mitigate the uncertainty surrounding the current situation in the industry.

Grupo Antolin focuses all its efforts on **generating long-term economic and financial value for its investors**, while integrating sustainability into its entire value chain. All of that while promoting truly tangible sustainable practices and contributing to the development of the local communities in which the company operates.

As well as aligning with the main international commitments on environmental protection, the company is also established as a benchmark in governance matters thanks to its sound corporate governance model and strict ethical and regulatory compliance. Therefore, despite a challenging context, **the company continued to make progress with its value proposal for the investor in 2021**, as well as with greater information transparency for the main indicators required by the financial community.



In 2021, Grupo Antolin incorporated ESG criteria into the syndicated loan renewal and extension process for the first time

Creation of value: the time for sustainable criteria

The importance of ESG criteria in the investor community is growing following the pandemic, thanks to the international consensus around the need for a sustainable and fair recovery for all. Initiatives such as the **European taxonomy of sustainable finance lead the way**, and Grupo Antolin is working to order its activities in accordance with this new classification system, in force from 2022, and thus make the business more attractive for those investors who are committed to sustainable projects.

Aware that business and purpose are, today more than ever, inseparable concepts, Grupo Antolin is making progress in some new ESG objectives ([Planet, People, Business](#)) through the strategic lines of its Sustainability Master Plan. One of these includes a prominent area of action involving the path towards **sustainable financing**, with actions aimed at contributing to the sustainability of the business, as well as at improving the way in which information on the main indicators demanded by the investment community is provided.

In 2021, Grupo Antolin went one step further in this direction and for the first time incorporated **ESG criteria into the syndicated loan renewal and extension process**, which amounted to almost €400 million, plus a revolving credit line of €200 million ([see Good practice](#)). Beyond this milestone, in the first half of the year the company completed a process of issuing long-term bonds in the capital markets for an amount of €390 million. The purpose behind raising this financing was to cancel the bonds maturing in 2024 and issue others with maturity in 2028.

Both the issuance of the bond and the agreement with the banks add more flexibility to the company's financial structure in the long-term and are proof of its sound financial position and its ability to implement an efficient financial management strategy.

Transparency-based relationship

In its senior management and in all business areas, Grupo Antolin undertakes to promote a rigorous and transparent flow of information to its investors. Thanks to this model, the company can access financial capital more efficiently, boost the profitability of the business and better manage both its corporate reputation and the potential risks associated with its activity.

To ensure this exchange of information and enhance its visibility in the financial area, Grupo Antolin has various communication channels and tools. See [Relationship with stakeholders](#) .



Good practice

ESG goals

Included in the syndicated loan for the first time

SDGs IMPACTED



Sustainability has become part of the new re-financing agreement signed by Grupo Antolin with its lending banks in 2021. This agreement modifies the syndicated loan that the company had signed and extends its maturity until March 2026. The refinancing includes a sustainability component through the incorporation of key performance indicators (KPIs) linked to environmental, social and corporate governance criteria.

In this way, Grupo Antolin reaffirms its strong commitment to the European Green Deal and shows the active role it wants to play in the transition of the automotive industry toward a low-carbon economy, in the fight against climate change and in supporting the social and economic development of the countries in which it operates.

MAIN STAKEHOLDERS INVOLVED



Investors



Shareholders

6.2. Customers



Management approach

Customer influence is absolutely key at Grupo Antolin. Their needs have always been at the heart of the company's management, which treats them as if they were its own. Customers are its strategic partners with whom it works hand-in-hand, anticipating their needs and developing new solutions and products that respond to the challenges of a constantly changing automotive sector.

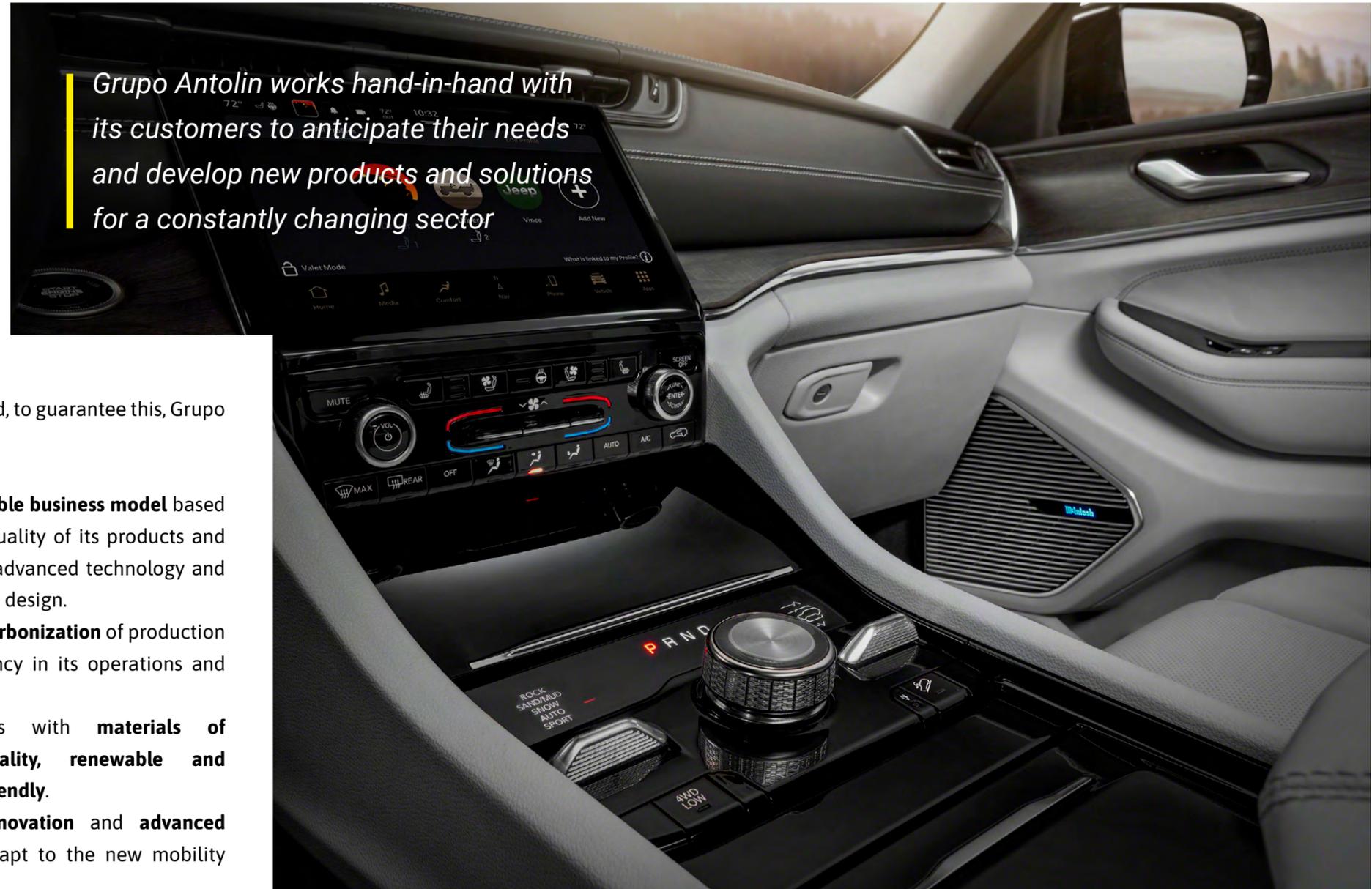
This empathy towards its customers' needs and the flexibility and speed with which it adapts to the pace that they set, have led Grupo Antolin to be recognized as one of the largest first-level suppliers (TIER1) of vehicle interiors.

Customer satisfaction is a priority issue in its

materiality analysis and, to guarantee this, Grupo Antolin focuses on:

- › Ensuring a **sustainable business model** based on flexibility, the quality of its products and services, the most advanced technology and the most innovative design.
- › Promoting the **decarbonization** of production and energy efficiency in its operations and processes.
- › Offering solutions with **materials of the highest quality, renewable and environmentally-friendly**.
- › Committing to **innovation** and **advanced technologies** to adapt to the new mobility paradigm.
- › Guaranteeing **responsible management of the supply chain**.

The model for Grupo Antolin's performance appraisal by its customers follows the recommendations set out in the Global Automotive Sustainability Practical Guidance document within the framework of worldwide sector initiatives in terms of sustainability, such as Drive Sustainability, the Automotive Industry Action Group and the Carbon Disclosure Project (CDP).



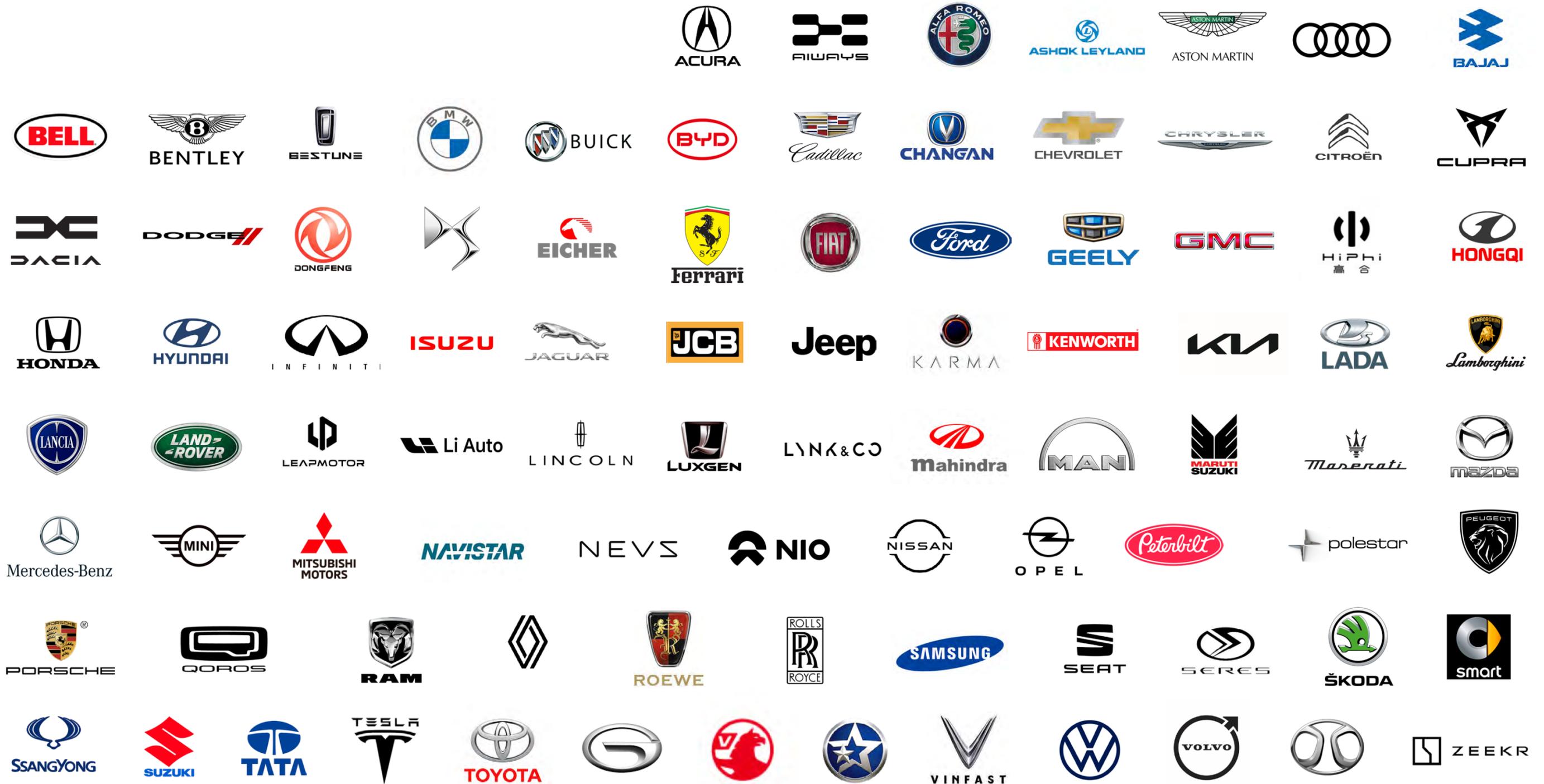
Toward a greater positive impact

As part of the value chain, Grupo Antolin is working to enhance the positive impact of its business and to prevent and minimize the negatives, with some clear objectives: to help its customers meet their commitments derived from the transformation of mobility. In this context, in 2021 Antolin carried out a process of analysis and reflection on its relationship with its customers to identify both strengths and opportunities to improve.

Together with the need to respond to the ESG needs of its customers, the **One Client** project analyzes the present and future requirements with an impact on the business. Based on the result of this work, Grupo Antolin has defined some lines of action as the basis for reviewing its relationships with its stakeholders.

Grupo Antolin's customers

Grupo Antolin has the honor of being a fundamental partner of the world's leading vehicle manufacturers. More than 80 brands from 44 automotive groups with which it collaborates tirelessly to guarantee the best experience for the end user.



Grupo Antolin accompanies its customers in their electrification strategies and its solutions can be found in nearly 100 models with alternative technologies

Featured launches in 2021

The electric vehicle has arrived and will transform mobility as we know it. Gone are the days when the electric car sounded like something from the future. They can now be seen every day on our roads and Grupo Antolin is also leading this revolution. As a company synonymous with innovation, for years it has worked with its customers to support their electrification strategies, the decisive element of their plans for the future designed not only to continue growing, but to do so with the full satisfaction of meeting and even exceeding the industry's decarbonization targets.

Grupo Antolin's solutions and products are already part of nearly **100 models** –both in the production phase and in development– that use alternative technologies, from battery electric vehicles to plug-in hybrids, as well as those powered by solar energy.

For the electric vehicle, Grupo Antolin is developing a series of products that cover two essential needs of this type of vehicle: reducing weight and optimizing its heat and sound insulation. Examples of these new solutions are the double slush cockpit trims, which reduce the weight by up to 40%, and the reduced weight of the frame of panoramic overheads, as well as the ultra-light door modules.

There are many new 100% electric vehicles equipped by Grupo Antolin and the following is a sample of these.



AUDI Q4 E-TRON

- Lighting consoles
- Assembly of door panels



BMW iX3

- USA model: Modular headliner / sunvisors / multipurpose lamps
- Asia model: Modular headliner / sunvisors / multipurpose lamps / pillar trim / ambient lighting



CUPRA Born

- Door panels
- Logistics services (overhead modularity and door panels)
- Reading lights



FIAT 500e

- Modular headliner
- Lighting console
- Glovebox lamp



MERCEDES EQA

- Asia model: Door panels / floor carpet



VOLKSWAGEN ID.4

- Door panels
- Lighting consoles
- Logistics services for the modular headliner
- Exterior emblem (emblem with lighting for the model manufactured in China)



VOLVO C40 RECHARGE

- Headliner substrate (100% panoramic overhead)
- Lightened plastic frame for the panoramic overhead*
- Sunvisors
- Handles
- Lower pillar trims
- Front trunk (frunk**) trim

*Grupo Antolin has created a smart new design for these plastic frames, incorporating a unique design aspect to achieve a 60% weight reduction compared to traditional design solutions on the market. In addition, the overhead has been produced with recycled materials and through a new bonding process that is completely sustainable as it does not involve solvents or generate dangerous emissions.

**FRUNK: front+trunk. With an innovative technology using infrared welding to assemble the cover of this storage area.

Likewise, we also find components developed by Grupo Antolin in combustion engine vehicles launched on to the market in 2021.



CUPRA FORMENTOR

- Door panels
- Window Regulators



KIA SORENTO

- Headliner substrate
- Sunvisors



NISSAN QASHQAI

- Headliner substrate
- Sunvisors
- Lighting consoles
- License plate lamp
- Door panels (Russian model)



MARUTI-SUZUKI SWIFT DZIRE

- Headliner substrate



MERCEDES GLE COUPE

- Modular headliner
- Boot trim



OPEL MOKKA

- Headliner substrate
- Sunvisors
- Window regulators (plastic)



SKODA KUSHAQ

- Door panels
- Headliner substrate
- Ambient lighting (instrument panel)
- Plastic seating parts
- Exterior wheel and wheel arch trims



VW TAIGO

- Modular headliner
- Door panels
- Window Regulators
- Trunk trim



Tech Day with Ford Europe.

Innovation and collaboration: always in plural

The best ideas always come from collaboration and shared interests. This premise drives Grupo Antolin to integrate its customers' objectives from the very start, when the technological solution is just an idea in the R&D department, to the very end, when the final product is received by the vehicle manufacturer.

Along the way, the company challenges itself to live up to its customers' expectations in terms of innovation and sustainability. This means accepting that the needs of today will never be those of tomorrow, which is why anticipating the future is one of the unwavering commitments in its relationship with vehicle manufacturers.

Something that is no less important is working side-by-side, and in the most literal way possible, to find solutions with added value for the vehicle interior. The result of this is the Grupo Antolin **Tech Days**, which in 2021 embraced the virtual format without losing their closeness and connection with the customer.

Over the past year, 19 Tech Days were held with customers, including, among others:

- **Virtual Tech Day with Ford Europe:** presentation of the INSPIRE smart cockpit.
- **Virtual Tech Days with Daimler:** presentation of INSPIRE and the latest innovations in doors and instrument panels.
- **Virtual Tech Day with Nissan United Kingdom and Japan:** involvement of all the Business Units to showcase the innovations in electronics, integration and sustainable proposals.
- **Stellantis, first face-to-face Tech Show in Europe:** event dedicated to showcasing lighting, HMI, decorative and smart integration capacities.
- **Virtual Tech Day with Suzuki:** functionalities such as ambient and dynamic lighting and the integration of natural materials were presented.

Beyond the Tech Days, Grupo Antolin was also present at some of the **leading international events** in the automotive sector.

- › Shanghai Auto Show (see [Good practice Business Model](#)).
- › DVN Shanghai International Workshop.
- › Automotive Interiors Stuttgart (with the strategic partner Walter Pack).
- › Presentation of the application of ISELED (Intelligent Digital LEDs) in a European premium model at the 5th Anniversary of the ISELED Alliance.
- › ITB 'Smart Automotive Surfaces' Conference.



Good practice

THE LINK:

the great digital showcase of Grupo Antolin



Grupo Antolin has spent years making great efforts to digitize its value chain. THE LINK is the company's response to a new way of understanding the relationship with its customers in which flexibility, convenience and an efficient use of time prevail.

THE LINK is presented as a digital version of the traditional Tech Days: live and from anywhere on the planet, manufacturers can learn about the latest new developments in the company's product range and discover more about its most innovative solutions.

SDGs IMPACTED



MAIN STAKEHOLDERS INVOLVED



Customers

6.3. People



People

OBJECTIVES

'The value of people'

Diversity, equality and inclusion, applied to talent

- › Diversity and inclusion focused on **knowledge, values, skills and experiences**.
- › **Specific plans** in the tangible dimensions of diversity: gender, disability, age, race, culture and professional profile.
- › Increased promotion of **women to managerial levels**.

Zero accidents: a safe and healthy working environment

- › **<2.30 reduction in the global frequency index***.
- › Reinforcing the commitment to the health and safety culture.

*Work-related accidents and occupational diseases with sick leave/no. of hours worked x 1,000,000

Management approach

People are the true engine of Grupo Antolin and the key to its success. Their strong involvement and commitment to their work creates a differential advantage that is reflected in the good results of the business. The feeling and pride of belonging to this family company mean that the employees work with a good team spirit and a great ability to adapt to the circumstances in the environment, however difficult they may be.

Aware that talent is one of its main assets, Grupo Antolin not only pays attention to the specific features and regulatory framework of each country in which it operates, but also shows itself to be especially committed to the need for a **fair transition** in which the digital and technological transformation of the industry leaves nobody behind. A new paradigm that puts people at the center, which understands the new circumstances of professionals after the pandemic and incorporates all dimensions of health, including mental and emotional well-being, into the relationship between the company and its teams.

For the development of a sustainable business model in its **'Value of People'** axis, the company has established some targets to guarantee a safe and healthy working environment and the application to talent management of the principles of diversity, equality and inclusion. A road map that goes back to what forms the starting point for every business, the people, and place them where they should always be, in a preferential position.

A new road map

The COVID-19 crisis has accelerated the changes that had been taking place for some time within organizations in a push to make processes and decision-making faster and more streamlined. Grupo Antolin is promoting a change in culture based on **inclusive leadership, talent** and the **experience of people**. All of this is always strictly in keeping with the principles and values that distinguish the company today and will continue to do so tomorrow.

In this regard, the **new Strategic Human Resources and Organizational Plan, approved in 2021**, will guide Grupo Antolin in the coming years, enhancing the best of its legacy and favoring an evolution in aspects related to leadership, talent management and agility.

Strategic pillars of the Human Resources Plan



Policies and processes in people management

Internal reference framework

- Vision and Values. People Value.
- Code of Ethics and Conduct.
- Corporate Social Responsibility Policy.
- Sustainable Business Model.
- Strategic Human Resources and Organization Plan.
- Sustainability Master Plan.
- Diversity policy and equal opportunities principle.
- Protocol for preventing gender-based workplace harassment and violence at work.
- Occupational health and safety policy.
- Geographic mobility policy.
- People management model.
- Knowledge management model.

External reference framework

- United Nations Universal Declaration of Human Rights.
- Agenda 2030: Sustainable development goals 3, 4, 5, 8, 10, 16 and 17.
- Guidelines and principles of the International Labor Organization (ILO).
- United Nations Global Compact. Principles 3.4, 5 and 6.
- Diversity Charter.
- European Mobility Charter.
- Occupational Health and Safety System Standard OHSAS 18001:2007 and ISO 45001.
- Local and national legislation and regulations, agreements, pacts and/or those deriving from local, regional, sectoral and international collective bargaining.

Profile of the workforce

As of December 31, 2021, Grupo Antolin's team was made up of **close to 25,000 professionals**, distributed geographically across 26 countries.

Distribution by gender



Distribution by contract type*

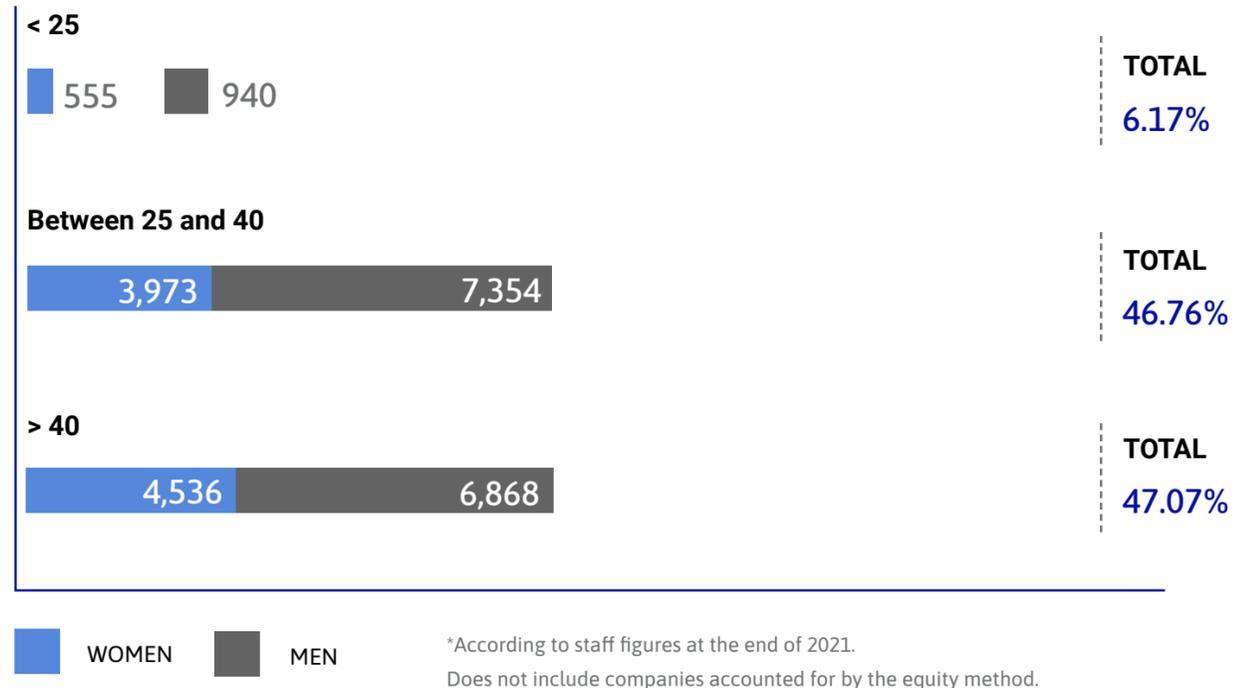


■ WOMEN ■ MEN

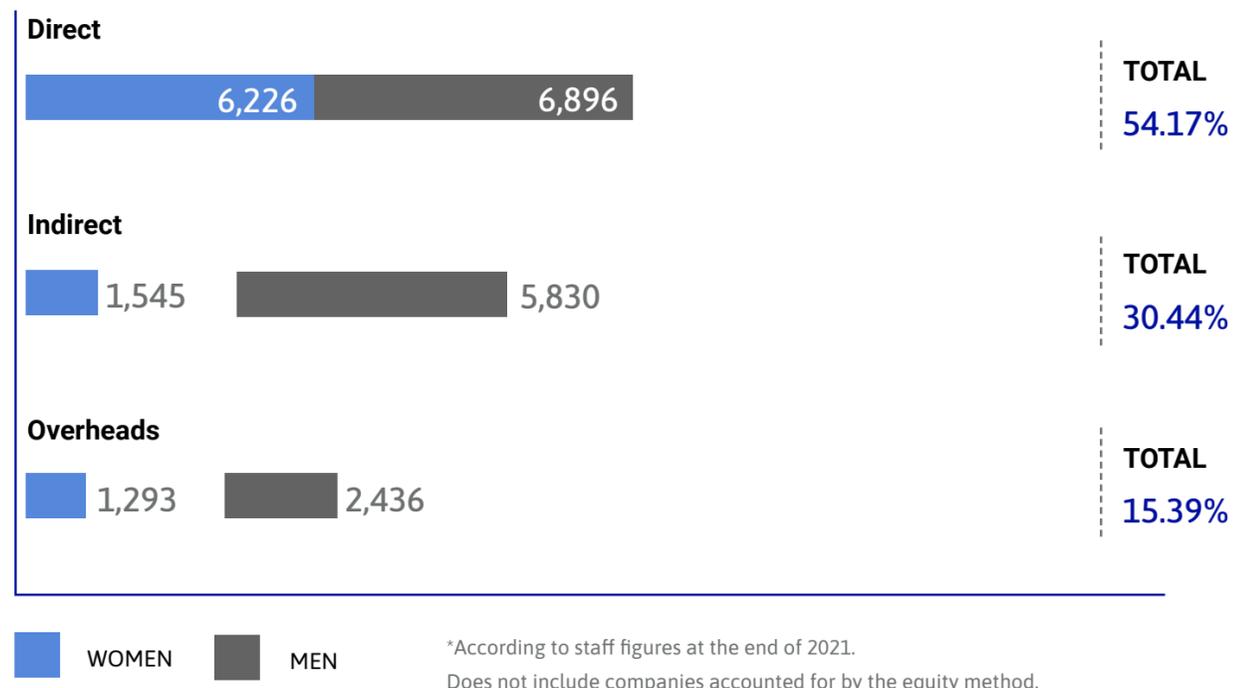
*According to staff figures at the end of 2021.
Does not include companies accounted for using the equity method.

*9 out of every 10
Grupo Antolin
employees have
a permanent contract*

Distribution by age*

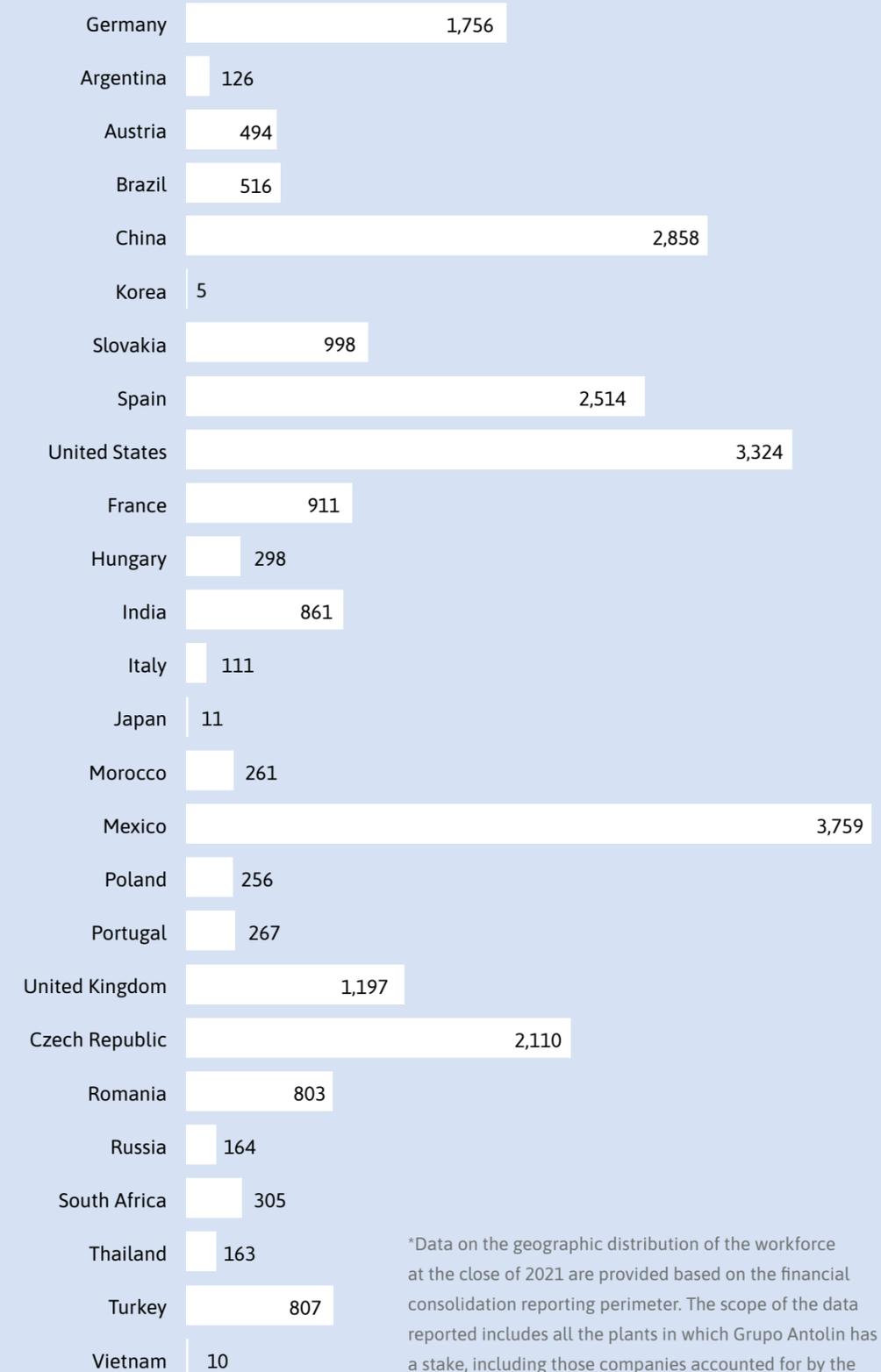


Distribution by type of labor*



Direct labor: works directly in the production processes / Indirect labor: provides support or performs tasks in the production activity, but does not participate directly in the production process / Overhead labor: works in the corporate departments.

Geographical distribution (in number of people)*



*Data on the geographic distribution of the workforce at the close of 2021 are provided based on the financial consolidation reporting perimeter. The scope of the data reported includes all the plants in which Grupo Antolin has a stake, including those companies accounted for by the equity method.



Cultural diversity: more than 112 nationalities and 40 languages represented in the workforce

Technology jobs

To anticipate the mobility of the future and meet the demands of its stakeholders, Grupo Antolin is committed to employing diverse and highly qualified talent.



1,567

professionals
in technology-related
jobs



48%

of the workforce in
Spain linked to the
technology field



1,448

professionals with an
engineering profile
worldwide, 385 in Spain

Health, safety and well-being: protecting our most precious asset

The impact of the pandemic has led to occupational health and safety playing a fundamental role in the business strategy and being an area of special importance for stakeholders. Now, more than ever, the well-being of the employees has a direct impact on the company's competitiveness and profitability, as well as on attracting and retaining talent.

In particular, in 2021, in addition to continuing to work on strict compliance with the protocol to prevent infections in successive waves and promote the vaccination of its professionals. Grupo Antolin has responded to society's growing awareness of the importance of **mental health** and has integrated it as another element in talent management. People are the engine that makes Antolin work and their care must be comprehensive.

Approach and commitments

The sustainable business model and Strategic Human Resources Plan are the guides for safeguarding the health, safety and well-being of professionals in their work through two major areas of action:



ZERO ACCIDENTS

Creating a safe and healthy working environment with the aim of achieving zero accidents thanks to a gradual reduction in accident rates, in terms of frequency and severity.



UNIVERSALIZING THE VALUES OF HEALTH AND SAFETY

Strengthening compliance with Grupo Antolin's commitments in all regions in which it operates.

- › [Grupo Antolin's Health and Safety Policy](#)
- › Implementation of the Occupational Health and Safety System, based on the ISO 45001:2018 standard, at its work centers. Eight new certificates were obtained in 2021, meaning that at the close of the year the company had 52 certificates for work centers around the world, which is equivalent to 60% of the workforce.



Progress in safety

In 2021, the downward trend in accidents continued: **a 2.46% reduction in the Frequency Rate** and **a 16% reduction in the Severity Rate compared to 2020**. These figures are the result of improvements in the recording, investigation and monitoring of occupational incidents and diseases, the sharing of lessons learned after occupational accidents and the reinforcement of training in and awareness of safety procedures and the use of Personal Protective Equipment.

	2020	2021
OHSAS 18001/ISO 45001 Certificates	41	52
Workforce covered by the OHSAS 18001/ISO 45001 Certificate	49	60
Work-related accidents and occupational diseases with sick leave	176	187
Fatal accidents	0	0
Frequency Rate (Work-related accidents and occupational diseases with sick leave/no. of hours worked) x 1,000,000	3.66	3.57
Severity Rate (Number of days lost due to work-related accidents and occupational disease/hours worked) x 1,000	0.25	0.21

Diversity, equality and inclusion: differences enrich us

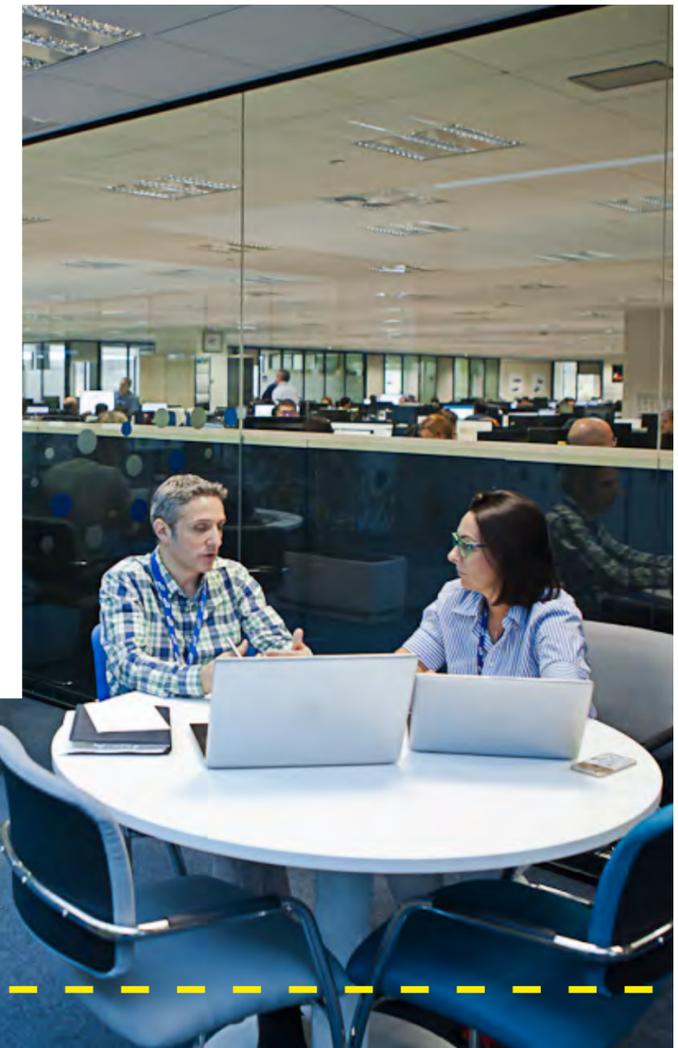
Grupo Antolin understands diversity as a competitive advantage and also as a natural process of adapting to an increasingly enriched society and environment. The company's strategy in diversity, equality and inclusion constitutes an important lever for attracting and retaining talent: the greater the variety of profiles, the larger the range of different ideas and approaches for successfully addressing the challenges of the sector.

Grupo Antolin's management is deeply committed to this strategy of respect and promotion of diversity and this translates into specific plans that address diversity in its **most tangible dimensions**: functional capacity, age, gender, race, sexual orientation, social and cultural origin and professional profile. These plans are always adapted to the social reality of the regions in which it operates.

Principle of non-discrimination

Non-discrimination is one of the principles contained in Grupo Antolin's Code of Ethics and Conduct, which governs the company's behavior in all its activities. This principle not only translates directly to equal treatment and opportunities, but also applies to staff selection processes.

In this regard, the principles of merit and ability are applied under identical conditions for anyone wishing to form part of the company, which is guaranteed with initiatives such as the progressive implementation of the blind CV or the use of a neutral and inclusive language in all phases of the processes.



Gender equality

Grupo Antolin works to achieve real equality between men and women in the workplace through the promotion of inclusive leadership, the training and awareness of all teams and a balance between personal and professional life.

With this objective, the company is making steady progress in progressively increasing the number of women in management positions. In 2021, **female representation in the Management Committee has increased** following the appointment of the new Organization and Human Resources Director.

Moreover, the **Advisory Board has been a gender-equal body since 2020**, thanks to the inclusion of diversity and equal opportunities criteria as part of the selection processes for members linked to the company's governing bodies.

Included among the initiatives applied or promoted by Grupo Antolin in 2021 are the following:

- › The review of the equality plans and their adaptation to regulatory demands in relation to salary recording and remuneration audits.
- › The development of a mandatory training program for the entire workforce on the anti-harassment policy and the protocol for preventing gender-based workplace harassment and violence at work.
- › The participation of employees in different training programs focused on the development of skills and technical development for executive management.

Diversity of profiles

Grupo Antolin encourages the integration of **people with different abilities** into its teams, whether in its own workforce or through collaboration with special employment centers. The company also measures the inclusion of other circumstances, beyond disability, which in certain regions can pose a barrier to a person's employability.

The incorporation of cultural differences is imperative for an organization that aspires to be as diverse as the environments in which it operates. A good example of this is the **People First Diversity & Inclusion Team** project. Launched in the United States, it seeks to generate awareness about how these differences can deeply affect people in an organization; to motivate participants to rethink their behavior towards others and identify diversity problems within the organization that need to be addressed.

In South Africa, the company's centers support public policies to facilitate the participation of the black race and remedy the inequalities created by apartheid with the creation of 'Employment Equality Committees'. The objective of these committees is to ensure equality in all aspects linked to the employee experience.

Grupo Antolin works to achieve real equality between men and women through the promotion of inclusive leadership, training and awareness of all teams

Training and development to make the difference

The new ways of working, which are more streamlined, flexible and collaborative, typical of the digitalization process being experienced by the sector, had already begun in the automotive sector before the outbreak of the pandemic. From 2020, the pace has picked up relentlessly. Companies have had to reinvent themselves, both to respond to the new demands of consumers and to guarantee a fair transition for their employees to the new paradigm, who they support by helping them adapt their skills profiles.

Grupo Antolin has made a significant effort to prepare its teams to respond to these new stakeholder demands and expectations. Training in new technologies to optimize the performance of workers (**upskilling**), together with the expansion and development of their knowledge in line with the objectives set for their adaptation to the new requirements of the position (**reskilling**), are some of the strategic lines defined by Grupo Antolin to improve the company's competitiveness and retain talent.

Some of the most noteworthy initiatives related

to Grupo Antolin's training activity in 2021 were:

- › The **UET Leader** pilot project that offers comprehensive training for team management. [See Good practice](#)
- › Participation in the **Upskilling4future** project, led in Spain by Forética in partnership with JP Morgan and CSR Europe, in order to undertake a greater analysis of the needs required by the new professions and skills in each sector.

The **Mobility Grid: Short-term mobility opportunities for all industrial roles** program was included in CSR Europe's report on 'The Best Practices Booklet on Workforce Transition' to illustrate how the transformation of human resources can support the employability of vulnerable workers.

The company also sees training as a strategic lever to adapt supply to the demand for professional profiles required by the new mobility. With this belief, **Grupo Antolin is promoting Dual Training programs** in different countries, as well as agreements with universities to strengthen the training paths that help students find employment when they finish their academic studies.



Key technological boost

Grupo Antolin promotes the exchange of internal knowledge in different disciplines, through experts, leaders, knowledge communities and partnerships with key technological centers and entities. In 2021, the exchange between experts in lighting and electronics, two key areas in the company's current strategy, was noteworthy.

The acquisition of the knowledge necessary for the design of disruptive technological solutions, the introduction of tools such as PLM (Product Lifecycle Management) for project management and the Agile methodology for technologies related to Industry 4.0 have guided the training activity in the technical area.

Also in the digital area, it is worth highlighting the commitment of Human Resources to a new approach, based on artificial intelligence and predictive models based on data, to design training and performance appraisal paths tailored to the particular interests of each generation of professionals.

941,510 training hours
in 2021, 37.83
per employee

Management, retention and attraction of talent

The organization's success is increasingly founded on the race to attract differential talent. Aware of this decisive competitive lever, in 2021 the Human Resources Department continued to recruit professionals with new technological and digital profiles as a strategic line of work.

In this search for talent, Grupo Antolin is seeking the best professionals and the best people. Therefore, accompanied by a firm commitment to the team and the aim to contribute to a more prosperous future, the company prioritizes the attraction of **talent in keeping with its values**, as well as focusing on knowledge and experience.

Antolin offers its employees an innovative and stimulating environment where they can learn and grow hand-in-hand with the best professionals; an environment in which their contribution is not only recognized but also nurtured and protected, as the company's most valuable asset rightly deserves. This value proposal is greatly

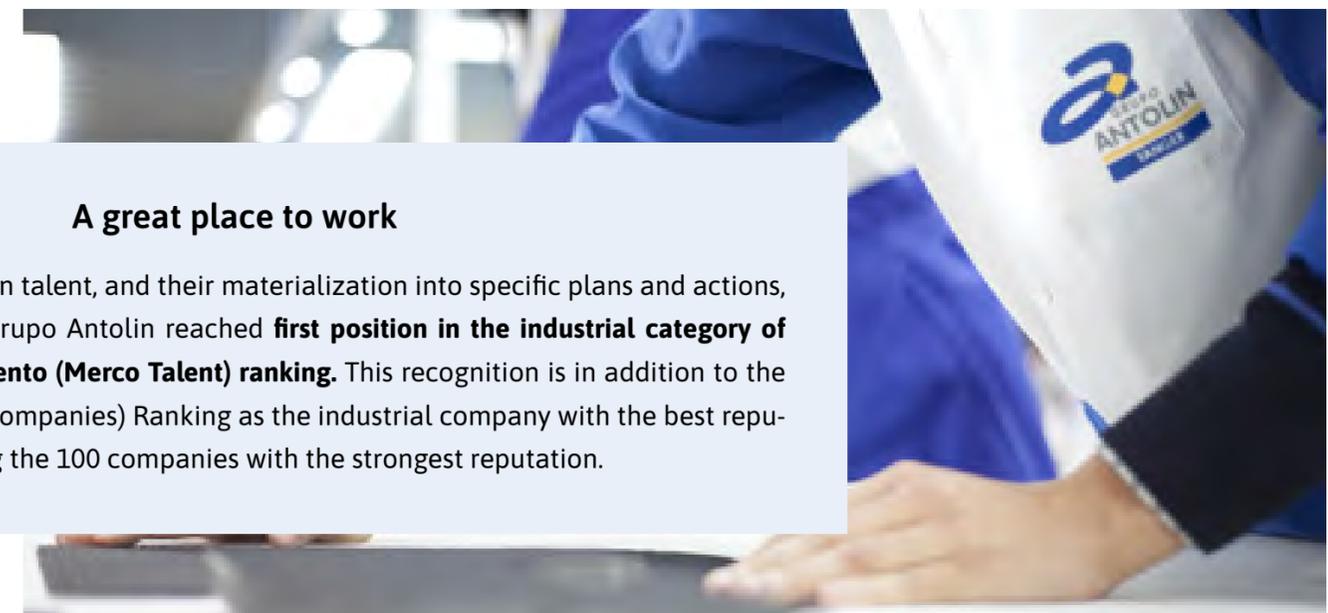
appreciated by its stakeholders and establishes, together with its commitment to innovation and tireless pursuit of excellence, its strong reputation in the sector.

Grupo Antolin also continues to evolve its **organizational model** towards more streamlined structures that promote responsible leadership, employee autonomy and the self-motivation of all professionals regardless of their level.

At this point, the review of the current performance model is of particular importance in order to achieve an integrated vision of the employee experience: greater visibility of learning, promotion and professional development opportunities, and better communication –always 360°– between Grupo Antolin and its people. The objective is to consolidate **relationships based on dialog and active listening** to create a more cohesive organization around a common project.

A great place to work

Efforts to attract and retain talent, and their materialization into specific plans and actions, are paying off. In 2021, Grupo Antolin reached **first position in the industrial category of the prestigious Merco Talento (Merco Talent) ranking**. This recognition is in addition to the Merco Empresas (Merco Companies) Ranking as the industrial company with the best reputation in Spain and among the 100 companies with the strongest reputation.



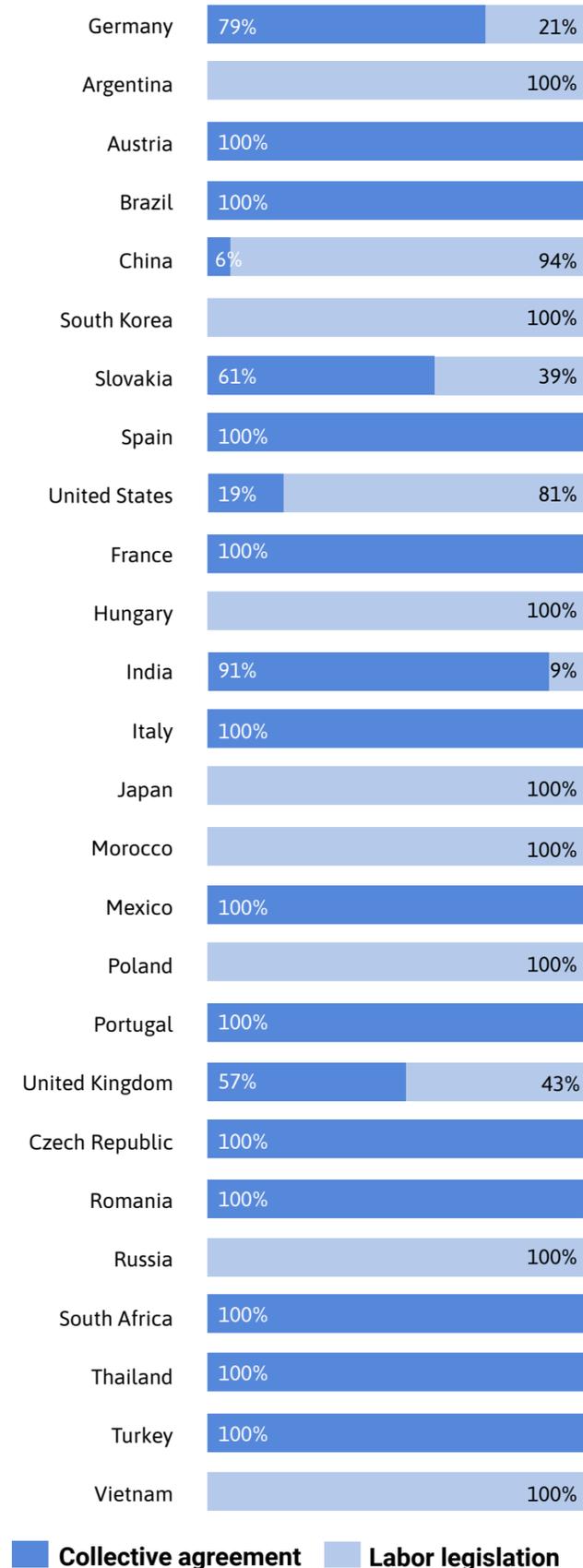
Labor relations

Grupo Antolin recognizes and defends the freedom of association and the effective recognition of the right of all employees to collective bargaining in those countries where it operates.

Convinced of the importance of creating the right spaces and moments to facilitate good communication between workers and unions and/or their representatives, Grupo Antolin has created specific channels for this. Moreover, all the company's workers have access to a direct participation channel through meetings between the management and the workforce, as well as other channels recognized in the different collective agreements.

Those Grupo Antolin companies that do not adhere to a collective bargaining agreement, pact or instrument are always covered by the labor legislation in force in each country.

Of the total workforce covered by the labor legislation of each country, 69% are covered by a collective agreement



Good practice

Fair transition

Training for the leadership of teams

As part of its commitment to employability and a fair transition, Grupo Antolin launched the UET Leader project. The program seeks to provide comprehensive training to the UET Leader (Unidad Elemental de Trabajo - Basic Work Unit), so that they can manage teams with excellence, through a training plan in technical skills and competencies. The UET Leader is a key position as they are responsible for leading the factory operators, therefore it is essential that they are given the knowledge necessary to understand their work in all its dimensions. The ultimate goal is to improve the development of the products in terms of time, quality and cost.

Offering a very dynamic and digital format, the training program focuses on the knowledge that a leader must have in terms of processes, technology and security, as well as training in management and leadership skills.

The project, developed as part of the Upskilling4future program by CSR Europe and JP Morgan, began with some plants in the United States and will be extended to the other centers in this region before being rolled out to other countries at a later stage.

SDGs IMPACTED



MAIN STAKEHOLDERS INVOLVED



People

6.4. Supply chain



Management approach

In 2021, Grupo Antolin once again demonstrated its enormous capacity for resilience in one of the most complex moments in recent history. The effects of the pandemic led to sharp increases in the price of raw materials, a shortage of semi-conductors and mobility restrictions on people and goods. To deal with this problem, Antolin was capable of intelligently and quickly adapting the management of its supply chain.

The company opted for the centralized management of procurement policies and processes and relied on another key factor: the global presence of teams with a local focus on the ground. No less important was the ability to turn challenges in the procurement processes into an opportunity to speed up the digital transformation processes that had already begun in previous years. In this regard, work has been done to transform the procurement function and create new initiatives that will add value in the coming years. Antolin has been following this path for some time with the commitment to strengthen, with everyone's efforts, a sustainable and environmentally-friendly supply chain.

Sustainable supply chain

Grupo Antolin extends its sustainable development commitment to the entire supply chain. It applies responsibility criteria to the purchases it makes and monitors **ESG risks** both in its suppliers and their collaborators. Among these, respect for **Human Rights** and the detection of possible cases of these being breached are an absolute priority for the company.

Grupo Antolin's relationship with its supply chain is built on a sustainable management system, a robust and effective framework that is underpinned by various instruments.

	2020	2021
No. of direct material suppliers with a relevant impact on environmental, social and governance (ESG) matters	483	453
No. of direct material suppliers assessed on their ESG performance	1,466	1,657
Percentage of direct material suppliers assessed on ESG	52%	59%
No. of panel suppliers with an ESG self-assessment questionnaire completed in the last 3 years	1,466	1,829
No. of suppliers with a result from the self-assessment questionnaire considered 'High Risk'	170	279
Percentage of direct material suppliers that have accepted the Supplier Code of Ethics	67%	78%
Percentage of investment suppliers that have accepted the Supplier Code of Ethics	67%	87%

Responsible supply chain management system at Grupo Antolin

SUPPLIER MANUAL

This ensures that suppliers meet the standards required by Grupo Antolin. Acceptance of the document is binding to be classified as 'active' in the company's Panel of Suppliers and have the opportunity to be chosen to provide future projects.

CODE OF CONDUCT FOR SUPPLIERS

Its approval and application are mandatory for all Grupo Antolin's suppliers and for their suppliers.

BUY ONE PORTAL

Web space designed to guarantee access for the supply chain to the sustainability requirements.

SUPPLIER NEWSLETTER

Launched in 2021 to report on the latest Grupo Antolin new developments and expectations regarding its supply chain.

SELF-ASSESSMENT TOOL

Based on the questionnaire answered by the supplier itself, its performance is assessed in the main dimensions of sustainability: working conditions and Human Rights, business ethics, anti-corruption and bribery and the environment, among others. From these results, Grupo Antolin can identify the global ESG risks in its supply chain, as well as those specific to the collaborators and partners of each supplier.

OECD DUE DILIGENCE FOR MINERAL SUPPLY CHAINS IN CONFLICT-AFFECTED AND HIGH RISK AREAS

Fundamental guide for monitoring the entire chain and for updating Grupo Antolin's [Conflict Minerals Policy](#).

ROAD MAP FOR THE SUSTAINABLE SUPPLY CHAIN

Approved and communicated to suppliers in 2021, it describes the specific objectives that Grupo Antolin has for its suppliers from the Environmental, Social and Governance perspectives.



Grupo Antolin is fully aware that the development of a responsible business involves sharing this ambition with all its suppliers so that its entire supply chain is aligned with the company's expectations in terms of sustainability.

Therefore, in the framework of the company's new environmental, social and governance objectives, in 2021 some requirements have been established in the most critical aspects of the responsible management of the supply chain, such as reducing the environmental footprint, transition to the circular economy and responsible business management.



Business

OBJECTIVES in the supply chain

Responsible Business

- › 100% adherence to the Supplier Code of Conduct.
- › 100% of direct material suppliers assessed in ESG matters.
- › 100% compliance with the responsible supply of conflict minerals.

Extension to their own suppliers

- › To be recognized as a responsible business.
- › To be carbon neutral.
- › To be a circular business.
- › To extend the commitments and objectives to its supply chain: achieving zero net emissions throughout the entire supply chain by 2050 at the very latest.

Human Rights, an absolute priority

Grupo Antolin maintains a zero tolerance policy to the violation of Human Rights in its supply chain.

Grupo Antolin undertakes to apply the processes and mechanisms that allow it to prevent situations linked to slavery and human trafficking in its operations and its supply chain, regardless of the activity, size or geographic area in which it operates, through the annual signing of the *Modern Slavery and Human Trafficking Statement*, approved by the Board of Directors in 2021.

The company extends its commitment to Human Rights to the acquisition of certain raw materials and, to this end, has a **Conflict Minerals Policy**, whereby it only collaborates with companies that share its respect for Human Rights, business ethics, fair working conditions and environmental responsibility.

At a time when international regulations are making steady progress, the future European Due Diligence Directive and the German Law on due diligence in the supply chain being clear examples, it is important to highlight the path taken by Grupo Antolin in this matter. Always with an eye on continuous improvement, the company follows the guidelines set by the **OECD's Due Diligence** for mineral supply chains in conflict-affected and high risk areas:

Grupo Antolin has a Conflict Minerals Policy, whereby it only collaborates with companies that share its respect for Human Rights

- ✓ Keeping the Conflict Minerals Policy up-to-date and accessible to the public.
- ✓ Appointing a specific multicultural and multidisciplinary work team on conflict minerals.
- ✓ Being aware of and assessing the risks of the supply chain, as well as developing a system that offers a quick response to potential risks.
- ✓ Identifying the suppliers that supply Grupo Antolin with the main conflict minerals (tungsten, tantalum, tin and gold) and applying the mechanisms to find out whether they comply with the OECD requirements.
- ✓ Being a member company of the Responsible Minerals Initiative, a partnership for promoting the intersectoral work of the Responsible Minerals Assurance Process.



In 2021, **98% of the 157 suppliers** identified as suppliers of products with conflict minerals correctly submitted their **Conflict Mineral Reporting Template**. Of the 328 mineral foundries in the supply chain, 254 are eligible and 59 are being audited to determine whether or not they are eligible, therefore, according to the criteria of the Responsible Minerals Initiative (RMI), 95% are eligible as collaborators, while 17 entities (5%) do not meet these criteria.

Always with the desire to raise its demand in a matter that is crucial for the company, in 2021, Grupo Antolin started to monitor the supply chain of another mineral: **cobalt**. It thus seeks to raise awareness in the supply chain about the need to provide information about this mineral. It also wanted to create an initial starting point so that it could set goals for the coming years. The first of these was to obtain at least a 60% response rate among the total of 166 suppliers identified as suppliers of cobalt-containing products. The goal was widely exceeded as this information was received from 68% of suppliers.

	2020	2021
Total no. of active first-tier suppliers	3,448	3,383
Total no. of active direct material first-tier suppliers	2,830	2,792
Total purchase volume from first-tier suppliers (€'000)	2,050,000	2,060,000
Purchase volume from direct material first-tier suppliers (€'000)	1,927,000	1,937,000
Purchase volume from local suppliers (€'000)	1,177,000	1,000,198
Percentage of suppliers of products containing conflict materials with declaration/certification of origin/compliance	98%	98%

Good practice

Compliance and transparency

Grupo Antolin's management of conflict minerals

In 2021, Volvo Cars, one of Grupo Antolin's customers, in collaboration with *Kumi Consulting*, wanted to discover the degree of compliance and transparency of the company and its supply chain with regard to its management of conflict minerals through an audit based on the OECD's 'Conflict Minerals Guide'.

Customer satisfaction with Grupo Antolin's information protocol regarding conflict minerals has not only increased Volvo Cars' confidence, but also drives the company to keep working for the continuous identification, risk assessment and correct management of this matter in continuous collaboration with its suppliers. The result: one step further in consolidating a responsible and sustainable value chain.

SDGs IMPACTED



MAIN STAKEHOLDERS INVOLVED



Customers



Society



Supply chain



Intelligent. Integrated. Inside.

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