autoneum

# Corporate Responsibility Report 2021

**53** **Production facilities** worldwide

**4** **Business Groups**

**Scientific leadership** of the Automotive Acoustics Conference

**24** Represented in **24 countries**

**10** **Production plants** converted to renewable energy during 2021

**11 840** **Employees globally**

Autoneum Pure.

Technologies with an **excellent sustainability performance**



SBTi

Autoneum committed to the **Science Based Targets initiative**

# Foreword

Dear Reader

2021 saw frequent interruptions in operations due to the semiconductor crisis. This required the Company to be even more agile and efficient, posing new challenges for employees worldwide. Nonetheless, we succeeded in making further progress toward achieving our ambitious sustainability goals, which are part of our Advance Sustainability Strategy 2025. Having set a 2027 time horizon for our environmental targets, we can already see that our efforts to improve our carbon footprint are bearing fruit. To underscore our support for the planet, in 2022 we joined the globally active Science Based Targets initiative, committing to quantifiable targets to reduce our greenhouse gas emissions.

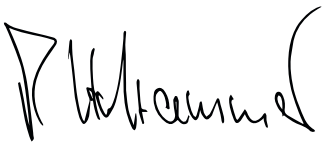
In addition to Scope 1 and 2 $CO_2$ emissions, Autoneum is now reporting fully on Scope 3 emissions. Accordingly, in 2021, we conducted a comprehensive inventory of our Scope 3 so that we can better understand our main sources of indirect emissions and focus on the main levers to reduce them in the future.

The results are now available, and we are pleased to have reduced our overall greenhouse gas emissions. This reduction is due not only to lower production volumes. For Scope 3 it is also linked to the increasing use of recycled materials and the introduction of sustainable Pure technologies. In line with our strategy to increase the use of renewable electricity, we converted ten plants globally to renewables in 2021, so that our share of renewable energy now represents 17% of the total Group consumption. In addition, all our plants will be certified according to ISO 50 001 (energy management) during 2022.

We also made important progress in other areas of corporate responsibility. The challenges we faced in 2021 emphasized the importance of employee engagement. For this reason, we conducted a global employee engagement survey and will strive for continuous improvement in the coming years. In the area of occupational health and safety, the frequency of accidents has decreased by 17% following our zero accident policy, and the number of sites conducting ergonomic assessments has grown to 93.3%. Autoneum carried out 29 waste optimization projects worldwide, focusing on material efficiency and recycling. The result was clear waste reduction for a range of products. We also launched and successfully marketed new eco-efficient products. Finally, our employees carried out an impressive number of 91 community engagement projects.

With the current war in Ukraine and the global sanctions, we are facing a sharp increase in energy prices. Because we wish ultimately to exit fossil fuels, we are seizing this moment to accelerate the switch to renewables. We see our mission to advance sustainability as a long-term commitment for the future. This report outlines our key policies and actions regarding our environmental responsibility, people and communities, governance and compliance, and presents our measurable progress.

**Matthias Holzammer**
Chief Executive Officer



# Economic performance

The worldwide shortage of semiconductors and further supply chain bottlenecks dampened market development in the automobile industry in 2021. While production volumes were almost the same as in the prior year, 2021 was more challenging from an operational perspective. However, efficiency improvements in plants and optimization measures in all organizational areas enabled Autoneum to return to profitability and generate a positive net result.

Automobile production as a whole increased by 3.4% to 77.1 million vehicles in 2021, but still remained well below the 2019 level. Bottlenecks in the supply chain and the global chip shortage led to short-term production downtime at vehicle manufacturers throughout the year, which in turn resulted in frequent and unplanned interruptions in manufacturing at Autoneum. Due to the smaller share of Business Group Asia in the Company's total revenue and the fact that some car models of US manufacturers predominantly supplied by Autoneum were disproportionately affected by the semiconductor shortage, revenue in local currencies declined by 1.6% year-on-year. The consolidated revenue in Swiss francs fell by 2.3% to CHF 1 700.4 million in 2021. However, thanks to the consistently implemented efficiency optimizations and the resulting increase in the plants' operating performance as well as further improvements in the turnaround in North America, Autoneum managed to improve profitability in all four Business Groups. The Company more than doubled its EBIT margin to 3.4% and achieved a positive net result of CHF 30.1 million for 2021. The net profit and positive free cash flow enabled Autoneum to further reduce its net debt.

**11 840**

Employees

**1 700.4**

Revenue totaled CHF 1 700.4 million

**3.4**

3.4% EBIT margin

**30.1**

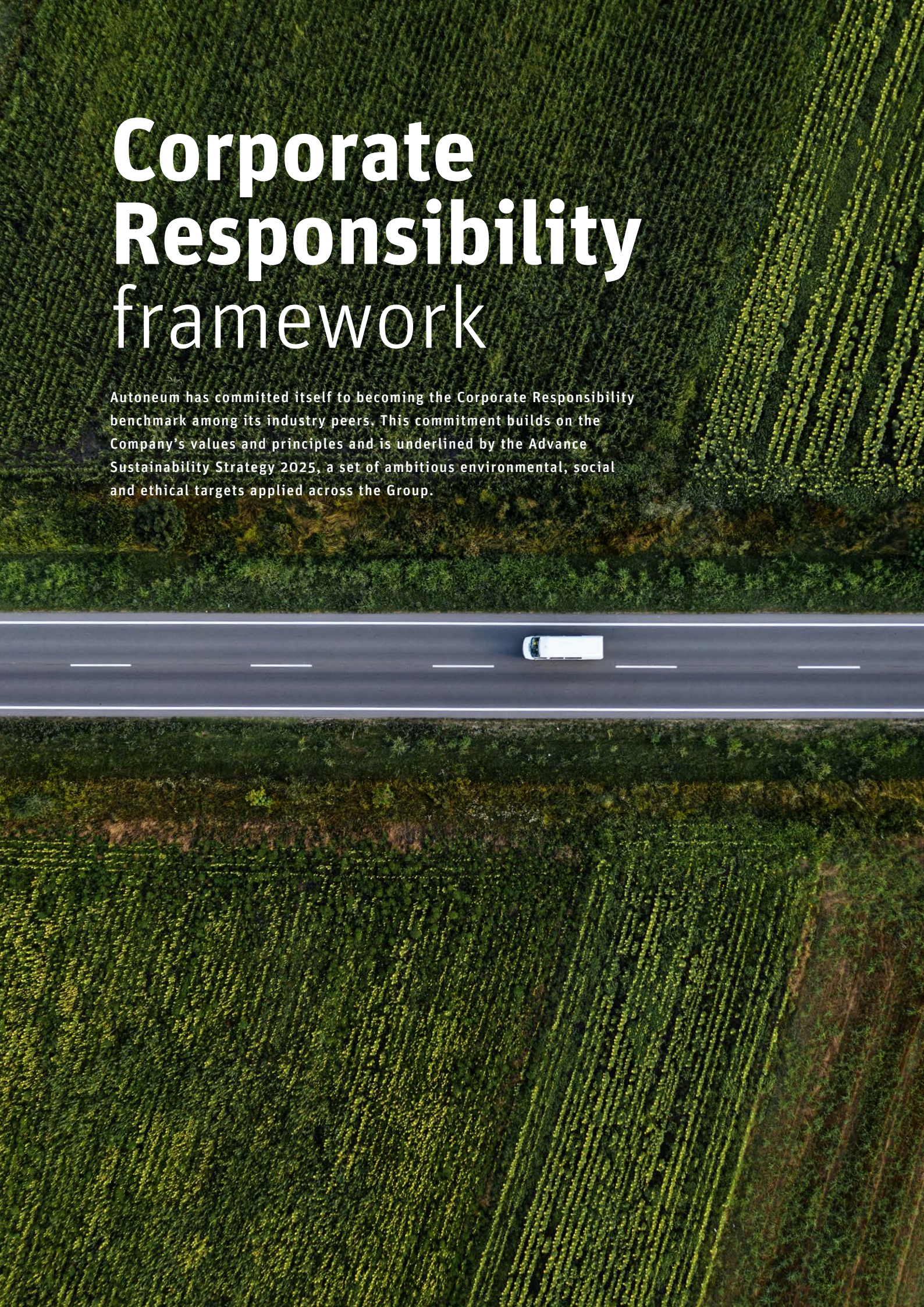
Net profit of CHF 30.1 million

**1.50**

Dividend of CHF 1.50 per share for 2021

# Corporate Responsibility framework

Autoneum has committed itself to becoming the Corporate Responsibility benchmark among its industry peers. This commitment builds on the Company's values and principles and is underlined by the Advance Sustainability Strategy 2025, a set of ambitious environmental, social and ethical targets applied across the Group.



## AUTONEUM'S VALUES AND PRINCIPLES

At Autoneum, we live a high performance culture which is the key enabler of our long-term business success. This culture serves as both a framework and a guideline for the daily actions of Autoneum's employees and must be exemplified by the Company's executives. While we expect our employees to perform at their best at all times, we also provide all the support necessary for their personal and professional development. Furthermore, by creating a safe, motivating and inclusive working environment, we continuously improve employee well-being and satisfaction.

Autoneum's six corporate values are:
*Passion | Accountability | Innovation | Think Global | Continuous Improvement | Simplicity*

These values represent the DNA of our Company. We integrate them in all our decisions and actions, which enables us to fulfill Autoneum's long-term principles:

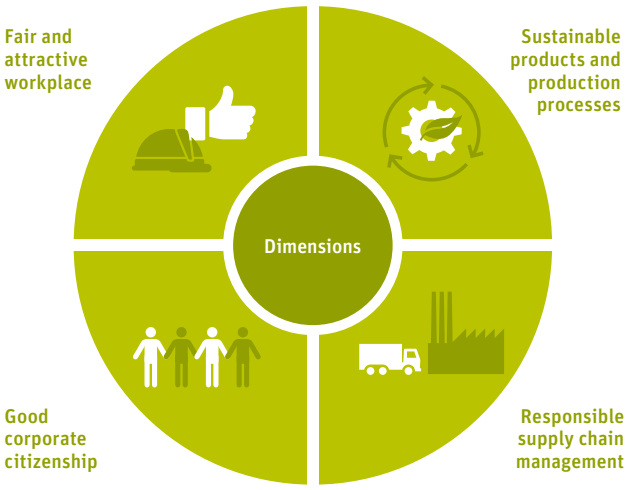
*Delight your customers | Enjoy your work | Fight for profits*

## SUSTAINABILITY INTEGRATED IN THE COMPANY STRATEGY

Autoneum's first corporate strategy was established following the Company's spin-off in 2011. With time, however, the market environment changed and the priorities of the Company progressively shifted. With the rise of disruptive trends such as e-mobility, the industry is undergoing a fundamental transformation, producing new challenges but also opportunities. Over the past two years, these challenges were exacerbated by irregular stop-and-go production caused by frequently changing call-off behavior of vehicle manufacturers due to supply chain bottlenecks. In order to sharpen the focus on our core competences and provide an efficient response to these new developments, Autoneum undertook a comprehensive review of its strategy in 2020. As a result, the previous priorities and focus areas were re-evaluated and regrouped into six new strategic priorities, which are supported by a comprehensive set of initiatives and actions. In addition to the priority "focus on sustainable acoustic and thermal management solutions", sustainability has been integrated into several other areas of the strategy as well – and thus will decisively shape our business activities going forward.

## ADVANCE SUSTAINABILITY STRATEGY 2025

Autoneum's Advance Sustainability Strategy 2025 supports the Company strategy and defines our long-term vision in four dimensions of Corporate Responsibility. Each dimension contains a set of strategic targets (see overview on page 8). These are supported by operational targets. Systematic implementation is ensured with the help of action plans that were developed in cooperation with key Corporate Functions: Research & Technology, Strategy, Manufacturing, Human Resources and Legal & Compliance.




Autoneum discloses its progress toward the targets on an annual basis (see the respective sections in this report). Due to the economic challenges the Company has faced over the past two years, a global cost reduction program has been implemented and some projects remain temporarily on hold. Autoneum undertook a comprehensive review of all strategic objectives in 2021 to align them with key societal trends and expectations related to sustainability and climate change. As a result, our management has increased our Company's targets and committed to reduce direct and indirect greenhouse gas emissions in line with climate science. For this purpose, Autoneum decided to join the global Science Based Targets initiative (SBTi) with quantifiable targets across all emission scopes in 2022 (see chapter "Environment" on page 26 ff.).

## GOVERNANCE

Autoneum's Corporate Responsibility Organization, composed of representatives from each of the four dimensions (see graphic above), coordinates and promotes all activities related to the Company's environmental, social and ethical performance, including tracking performance, ensuring target achievement and providing timely assurance. The Corporate Responsibility Steering Committee, consisting of the Group Executive Board, the Corporate Responsibility Organization and led by the CEO, oversees the implementation of the Advance Sustainability Strategy 2025, monitors environmental, social and ethical performance, manages risks and defines opportunities for improvement.

## RISK MANAGEMENT

Autoneum maintains a Risk Management System and procedures for identifying, reporting and managing risks. The Company regularly assesses general business-related risks related to strategy, operations, finance and litigation. At the same time, it also evaluates risks with Corporate Responsibility components – political, legal and compliance, organizational, environmental and occupational health and safety risks. A dedicated section addresses risks related specifically to climate change.

An aggregate review of all identified risks and the measures to address them is performed on a semi-annual basis by the Risk Council, which consists of the Business Group Controllers and all Heads of Corporate Functions. The review results are summarized in the Risk Report and presented to the Board of Directors and Group Executive Board.

## STAKEHOLDER ENGAGEMENT[1]

In order to gain a holistic understanding of Autoneum's key Corporate Responsibility risks and opportunities, we engage in a regular dialog with the key stakeholder groups in our stakeholder ecosystem. The various forms of engagement are described in the table "Autoneum in dialog".[2]

## MATERIALITY ASSESSMENT[3]

Autoneum has identified the Corporate Responsibility issues that are most relevant to its stakeholders using a materiality assessment. The results were discussed in an internal workshop where the perspectives of subject matter experts from key Corporate Functions at Autoneum as well as external stakeholder groups were systematically collected. The results were finalized in a review by Autoneum's top management. The topics defined as material for Autoneum were selected for consideration in the GRI reporting framework – see the table "Focus Areas and GRI Topics".

## TRANSPARENCY AND REPORTING

This report has been prepared in accordance with the GRI Standards: Core option[4]. It provides a comprehensive overview of Autoneum's Corporate Responsibility activities while addressing all material topics. The report was submitted to the GRI Materiality Disclosures Service and GRI confirmed that the materiality disclosures (GRI 102-40 to GRI 102-49) are clearly labeled, referenced and presented in the GRI Content Index on page 39 ff. At the beginning of 2021, Autoneum was listed in the "ESG Equity Indices" of the Swiss Stock Exchange (SIX). In total, 480 Swiss enterprises were analyzed and rated. With a solid score of B+, Autoneum was among the best performers. Autoneum continued to report on its environmental performance and carbon emissions through the CDP (Carbon Disclosure Project) platform in 2021. At the beginning of 2022, the Company joined the globally active SBTi and has thus committed to quantifiable targets to further reduce its greenhouse gas emissions.

### Autoneum in dialog

**Employees**
Dialog between employees and managers, employee engagement surveys, idea management, intranet, digital collaboration platforms

**Customers**
Development process of products and services, in-house fairs at customer premises, media, social media

**Financial community**
Shareholder meetings, dialog with financial institutions and analysts, investor days

**Research**
Cooperation with universities, scientific lead or participation at conferences, hosting of students on R&T projects

**Media & public**
Communication through media events, publications, advertising, social media and websites

**Local communities**
Community engagement projects, plant visits, neighborhood dialog, open-door events, one-on-one dialog with local official representatives

**Civil society**
Inquiries, collaboration projects, memberships

**Industry associations**
Memberships in various organizations, event hosting, participation in working groups*

### Focus areas and GRI topics[5]

**Economic**
Economic performance | Indirect economic impacts | Anti-corruption | Anti-competitive behavior

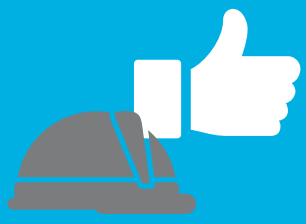
**Environmental**
Materials | Energy | Water | Emissions | Effluents and waste | Environmental compliance

**Social**
Occupational health & safety | Training & education | Diversity & equal opportunity | Non-discrimination | Human rights assessment | Local communities | Customer health & safety | Socio-economic compliance

[1] Covering the disclosures GRI 102-42 and GRI 102-43.
[2] Covering the disclosures GRI 102-40, GRI 102-42 and GRI 102-43.
[3] Covering the disclosures GRI 102-43, 102-44 and GRI 102-46.
[4] Covering the disclosure GRI 102-54.
[5] Covering the disclosure GRI 102-47.

* In 2021, Autoneum's industry association memberships included: Swissholdings, Swissmem, Swiss American Chamber of Commerce - AMCHAM, European Union Chamber of Commerce in China, Shanghai Association of Enterprise with Foreign Investment, Society of Indian Automobile Manufacturers, National Association of Brazilian Auto Parts Manufacturers (Sindipeças).

# ADVANCE SUSTAINABILITY STRATEGY 2025



**Vision**

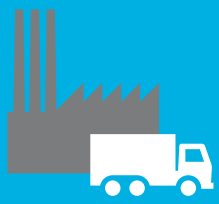
## Sustainable Products and Production Processes

**Strategic targets**

- 100% of Autoneum's innovation portfolio delivers improvements in sustainability
- Replace the least sustainable technologies of Autoneum with sustainable innovations
- Outperform international, national and OEM material compliance requirements
- Build a culture of environmental sustainability
- Continuously reduce material waste and increase recycling capacities
- Continuously reduce emissions and energy consumption
- Continuously reduce water consumption

## Fair and Attractive Workplace

- Continuously improve working conditions and the Employee Value Proposition of Autoneum
- Implement benchmark employee education framework for all Autoneum employees
- Implement comprehensive people development framework for all Autoneum employees
- Build and foster a culture of diversity and inclusion
- Continuously reduce the number of workplace accidents
- Improve working conditions by reducing ergonomic exposure
- Implement a comprehensive Occupational Health & Safety Management System



## Good Corporate Citizenship

- Establish and maintain a robust and Company-wide Governance, Risk & Compliance (GRC) Framework
- Continuously increase Autoneum's positive impact on communities

## Responsible Supply Chain Management

- Implement and maintain a robust and Company-wide Responsible Procurement Framework

# **Customers and** products

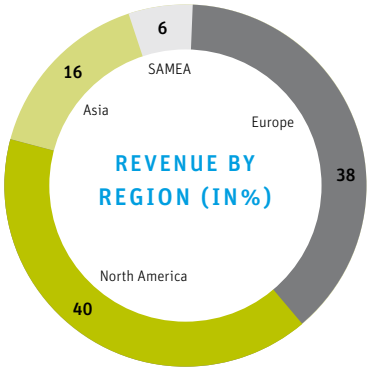
Autoneum develops and produces multifunctional, lightweight components for optimum noise and heat protection. Our innovative products and technologies make vehicles quieter, safer and lighter, thereby helping to reduce fuel as well as energy consumption and emissions.

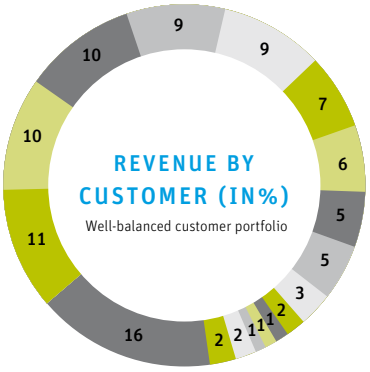
## TECHNOLOGY LEADERSHIP

Autoneum is the global market and technology leader in acoustic and thermal management for vehicles. We provide components and systems for the entire vehicle: interior floor, engine bay and underbody. Our individually adaptable product packages offer noise and heat protection for optimum compliance with increasingly specific customer requirements. Autoneum's products reduce vehicle weight and thus fuel as well as energy consumption and emission output. In this way, the Company helps customers across the globe meet progressively more stringent environmental and noise regulations. At the same time, our innovations enable vehicle manufacturers to efficiently address growing consumer demand for an electrified and sustainable mobility.

## OUR CUSTOMER PORTFOLIO

Autoneum's customer base includes virtually all automobile manufacturers in Europe, North America, Asia and the SAMEA region (South America, Middle East and Africa). A global presence and close proximity to our customers are not only key success factors for a successful collaboration and partnership, but also a crucial competitive advantage for Autoneum. The graphs adjacent show an overview of the distribution of our revenue in 2021 by region and customer.




### EUROPE

**Belgium**
· Genk

**Czech Republic**
· Bor
· Choceň
· Hnátnice

**France**
· Aubergenville
· Blainville
· Lachapelle-aux-Pots
· Moissac
· Ons-en-Bray

**Germany**
· Munich
· Rossdorf-Gundernhausen
· Sindelfingen

**Hungary**
· Komárom

**Poland**
· Katowice
· Nowogard

**Portugal**
· Setúbal

**Russia**
· Ryazan

**Spain**
· A Rúa
· Valldoreix

**Sweden**
· Gothenburg

**Switzerland**
· Sevelen
· Winterthur (HQ)

**United Kingdom**
· Halesowen
· Heckmondwike
· Stoke-on-Trent

### NORTH AMERICA

**Canada**
· London, Ontario
· Tillsonburg, Ontario

**Mexico**
· San Luis Potosí
· Silao

**USA**
· Aiken, South Carolina
· Bloomsburg, Pennsylvania
· Jeffersonville, Indiana
· Novi, Michigan
· Oregon, Ohio
· Jackson, Tennessee
· Monroe, Ohio
· Somerset, Kentucky
· Tinley Park, Illinois
· Valparaiso, Indiana

### ASIA

**China**
· Chongqing
· Dadong
· Pinghu
· Shanghai
· Taicang
· Tiexi
· Yantai
· Guangzhou
· Tianjin
· Wuhan
· Fuzhou

**India**
· Behror
· Chennai

**Indonesia**
· Jakarta

**Japan**
· Oguchi
· Tokyo

**Malaysia**
· Shah Alam

**South Korea**
· Seoul

**Thailand**
· Laem Chabang
· Chonburi

### SAMEA*

**Argentina**
· Córdoba

**Brazil**
· Gravataí
· São Paulo
· Taubaté

**South Africa**
· Rosslyn
· Durban

**Turkey**
· Bursa

Autoneum
Locations with minority shareholders
Associated companies and investments
Licensees

*South America, Middle East and Africa.

The Company helps customers across the globe meet increasingly stringent environmental and noise regulations.

## SUSTAINABLE PRODUCTS FOR THE CAR OF TOMORROW

The advancing electrification of mobility as well as the growing demand for environmentally friendly means of transportation continued to be major trends shaping the automotive industry in 2021. Having anticipated these developments early on, Autoneum offers a broad range of sustainable products and technologies that support vehicle manufacturers not only in meeting increasingly stringent global emission standards, but also in satisfying end consumers' needs for a more eco-friendly electrified mobility.

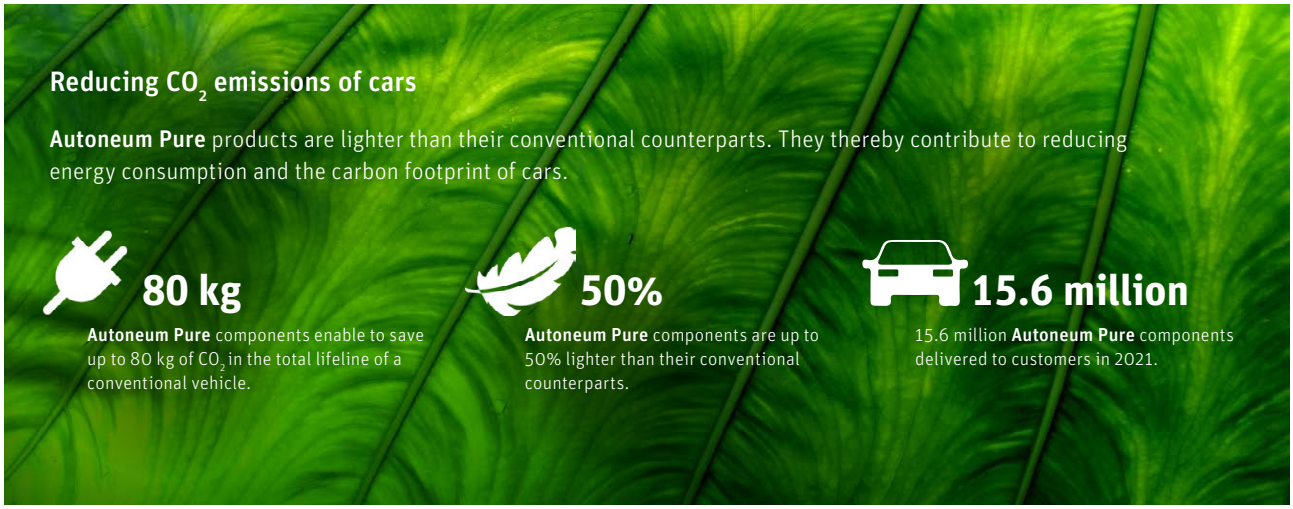
In the reporting year, the Company thus once again placed great emphasis on the further expansion of its lightweight textile product portfolio for vehicles of all drive types. Furthermore, supporting the transition to emission-free electric driving, Autoneum launched aluminum battery electromagnetic shields specifically for e-cars in 2021. In terms of sustainability, however, Autoneum's newly launched innovative backcoating process for carpets as well as the felt-based, lightweight Flexi-Loft technology deserve particular attention.

## ABC: LATEX-FREE CARPET BACKCOATING

Consisting of up to 97% recycled PET fibers, Autoneum's lightweight carpet technologies such as Di-Light and Relive-1 already meet the highest standards of sustainable mobility. Thanks to a new alternative backcoating (ABC) process, the Company's needlepunch carpets have now become even more environmentally friendly. By replacing the latex commonly used in standard backcoatings with a thermoplastic adhesive, the recyclability of the carpets at the end of product life is considerably improved. The thermoplastic material is not only easier to recycle than latex, but its application using the ABC process also requires less energy and – unlike the treatment of latex-based materials – no water at all. The innovative manufacturing process thus greatly reduces water and energy consumption in production, thereby further improving the environmental performance of Autoneum's sustainable carpet systems.

## FLEXI-LOFT: INTERIOR COMPONENTS BASED ON RECYCLED COTTON

With Flexi-Loft, Autoneum has introduced a new felt-based technology which significantly reduces the weight of interior components such as inner dashes or carpets while at the same time improving their acoustic performance. Thanks to its unique combination of recycled cotton and polyester fibers, Flexi-Loft enables a precise adjustment of interior parts to even complex shapes, thereby improving their noise-insulating properties. Additionally, the textile material is characterized by an excellent environmental performance throughout the product life cycle: Flexi-Loft not only consists of at least 50% recycled cotton fibers, it is also fully recyclable. Moreover, cut-offs generated during the manufacturing process are reclaimed, processed and reused in the production of new felt blanks. The lightweight, geometrically adaptable and versatile material thus offers a sustainable alternative to both standard felts and foam.



# Sustained business with **Autoneum Pure.**

While Autoneum continues to develop and manufacture components that reduce both noise and heat, the Company is equally committed to setting standards with regard to the products' ecological performance. The sustainability label Autoneum Pure was launched in 2020 and designates technologies with an excellent environmental performance across all four stages of the product life cycle: from material procurement to production and use to the end of vehicle life.

Sustained success with Autoneum's particularly sustainable products also requires their recognition and acceptance in the market. The Company therefore concentrates its efforts on promoting the added value of a more resource and energy efficient circular economy as represented by the products carrying this label among customers and partners. In 2021, Autoneum did this with great success and registered first awards with its innovative Ultra-Silent-based frunk – front trunk – for electric vehicles as well as with its tufted carpet Relive-1. Both textile-based products were launched in the previous year and contain a high amount of recycled PET, thus contributing to the conservation of natural resources and the reduction of plastic waste.

In total, approximately 15.6 million Autoneum Pure components were delivered to customers in the reporting year. These included, for example, around 580 700 products based on Prime-Light. Across all components, Autoneum used about 40 000 tons of recycled cotton shoddy as well as 5 300 tons of recycled PET for the production of Di-Light carpets and Ultra-Silent-based underbody systems.

## USAGE OF COTTON IN 2021

**580 700**
Prime-Light components delivered to customers

**40 000 tons**
of recycled cotton used in Autoneum products

This equals
**100 million**
pairs of jeans

## USAGE OF PET IN 2021

**60**
PET bottles used in a front trunk made of Ultra-Silent for e-cars

**5 300 tons**
of recycled PET used in the Di-Light and Ultra-Silent product lines

**750 000 km**
Length of fibers produced per hour by a single Ultra-Silent production line: enough to get to the moon and back!

Autoneum Pure.

# Technologies that distinguish themselves by an excellent sustainability performance throughout the product life cycle.

**Ultra-Silent**

› Made of 100% PET with up to 70% recycled fibers
› 50% lighter than equivalent plastic parts
› Mono-material and fully recyclable
› Use: underbody systems and frunks

**Mono-Liner**

› Made of 100% PET with up to 70% recycled fibers
› Up to 50% lighter than corresponding plastic components
› Mono-material and fully recyclable
› Use: wheelhouse outer liners

**Di-Light**

› Made of up to 97% recycled PET
› 20% lighter than standard needlepunch carpets
› Mono-material and fully recyclable
› Use: non-woven carpets

**IFP-R2**

› Contains up to 80% recycled cotton fibers (depending on composition)
› Significant weight saving compared to conventional solutions
› Allows closed material loop in production
› Use: inner dashes and floor insulators

**Hybrid-Acoustics PET**

› Made of 100% PET with up to 50% recycled fibers
› 40% lighter than alternative insulation products
› Mono-material and fully recyclable
› Use: e-motor encapsulations

**Relive-1**

› Carpet yarns consisting of up to 97% recycled PET
› PET cut-offs can be fully reclaimed and reused
› Use: tufted carpets

**Prime-Light**

› Made of more than 50% recycled cotton fibers
› Saves 7 kg of weight on a typical car
› Fully recyclable
› Use: inner dashes and floor insulators

# **Innovation** and sustainability

With its unwavering focus on innovation, Autoneum has become the market and technology leader in acoustic and thermal management for vehicles. We strive to continuously improve the environmental and social performance of our innovations. This is in line with Autoneum's Advance Sustainability Strategy 2025 as well as growing customer demand for sustainable products.

## INNOVATION LEADERSHIP

In order to maintain its position as market and technology leader, innovation is of strategic importance for Autoneum. The Company's research and development (R&D) experts are the primary drivers of its innovation success. Approximately 70 employees – including engineers, chemists, physicists and product designers – at the Group's R&D center in Winterthur, Switzerland, are continuously working on new ideas aimed at the next technological breakthrough in acoustic and thermal management. Around 220 employees work at eight state-of-the-art Acoustics and Development Centers worldwide. Within this diverse network of experts, there is a regular exchange of expertise regarding technologies, products and production processes. In cooperation with the Strategic Development department, the potential impact of emerging trends such as electrification and digitalization is constantly being analyzed and the corresponding innovations developed.

Autoneum supports customers both in the development of new vehicles and in the advancement of existing models. For this purpose, the Company has developed a variety of measurement systems and simulation software, some of which have become the global industry standard used by vehicle manufacturers as well as suppliers. These tools enable the adjustment of the material composition, thickness or density of a product during the design phase, ensuring that customer requirements are fully met. In 2021, 20 vehicle manufacturers worldwide relied on Autoneum's benchmarking services and cutting-edge simulation methods and measurement systems in both the pre-development and development of individually tailored sound packages and thermal management systems. Furthermore, Autoneum's validated methodology for the prediction and insulation of structure-borne noise was incorporated into the market-leading simulation software for acoustics and vibroacoustics thanks to a partnership with software company Free Field Technologies (FFT). By predicting and optimizing the isolation and insulation properties of components early in the development process, Autoneum's products achieve a perfect balance between acoustic and thermal performance and product weight.

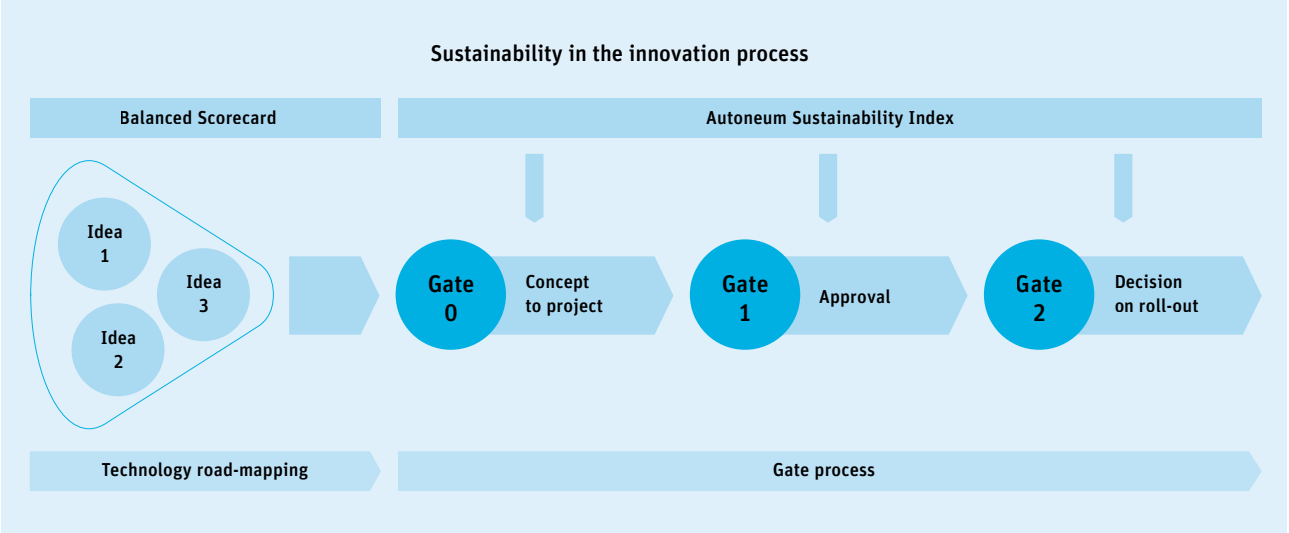
**220**

**Around 220 employees work at eight state-of-the-art Acoustics and Development Centers worldwide.**

With the Company's products becoming progressively lighter, vehicles equipped with Autoneum components consume less fuel and energy, have lower emissions and therefore support our customers' compliance with statutory noise and emissions regulations.

## VISION 2025 – SHAPING THE FUTURE OF MOBILITY

| Operational targets | Key achievements in 2021 | Progress |
|---|---|---|
| All Autoneum innovations will achieve a Sustainability Index rating of at least 60% and the innovation portfolio will reach a total average of 65% | › Number of innovations released in 2021: **3**<br>› Number of innovations with a Sustainability Index rating of at least 60%: **1**<br>› Total average Sustainability Index rating of the innovation portfolio: **60%** | On track |
| Identify the three least sustainable Autoneum technologies, develop sustainable alternatives and actively promote them to customers | Reduction of carbon footprint of interior components based on polyurethane foam due to the higher proportion of recycled or bio-based content in the foam formulations.<br><br>Launch of lightweight felt-based Flexi-Loft technology made of at least 50% recycled cotton fibers. Sustainable alternative to foam insulators and decouplers.<br><br>First awards for Relive-1-based carpets and frunks made of Ultra-Silent. Both products contain a high percentage of recycled PET replacing either polyamide yarns or plastic. | On track |




## SUSTAINABILITY IN THE INNOVATION PROCESS

Autoneum integrates sustainability criteria in all stages of the innovation process. As part of the Autoneum technology roadmap program, we first screen emerging technologies using a Balanced Scorecard based on five evaluation dimensions: emergence, portfolio improvement, portfolio enlargement, simplicity and sustainability. Within the sustainability dimension, waste, energy, recycling and emission (e.g. noise and $CO_2$) aspects of the emerging technology are evaluated. A low score in the sustainability dimension automatically leads to dismissal of the technology, even if the scores in the other dimensions are sufficient. Technologies with a high sustainability score are then turned into innovation proposals and presented to top management. After approval, the development process starts.

As the process unfolds and the various options for turning the technology into a product emerge, a second, more detailed sustainability evaluation occurs. During this evaluation, the product's Autoneum Sustainability Index (SI) is calculated. This index is comprised of 14 criteria evaluating the sustainability performance of the product along all four phases of the life cycle: raw material composition, production process, service life of the product and method of disposal at the end of product life. The evaluation reveals at what stage the product will have the largest potential sustainability impact, thus enabling further adaptation and optimization. Autoneum has established a score of 60% as the lowest threshold at which a technology can be regarded as sustainable[6] and thus can be marketed with the label "Autoneum Pure." (see also section "Customers and Products"). In 2021, the SI evaluation tool was updated to consider the emission factor for individual raw materials – i.e. their global warming potential (GWP) over a period of 100 years – rather than the nominal energy required for their manufacturing. Consequently, the SI now more closely reflects the results derived from a full life cycle assessment (LCA) of a product and thus allows Autoneum to evaluate and identify suppliers offering raw materials with a low carbon footprint at an early stage[7].

In 2021, Autoneum released a total of three innovations, of which one achieved an SI rating higher than 60%. The total average SI rating of the innovation portfolio[8] remained at 60% (2020: 60%), which means we have maintained our position in relation to our 2025 target of 65%. Moreover, several innovations with a favorable SI score are already in the innovation pipeline for 2022.

## LIFE CYCLE ASSESSMENT: NEW IN-HOUSE CAPABILITY

In order to be able to assess the full environmental footprint of its components internally and thus to further validate its SI methodology, Autoneum has developed an in-house LCA capability based on the commercially available Gabi software. In 2021, a small team of engineers was trained to carry out LCAs and, in collaboration with an external partner, produced a full assessment of the environmental impact of three Autoneum products throughout their life cycle. The focus of these first internal assessments was placed on the Company's most significant product line: interior carpet systems. The assessment of the environmental footprint of the

[6] The ideal Autoneum product with an SI rating of 100% (or close to 100%) would have a minimal environmental impact in all phases of the product life cycle. This means, among other things, low energy intensity of the raw material extraction and the manufacturing process; fully recycled and/or renewable content; full recyclability of production waste and end-of-life waste; minimal environmental impact in the usage phase.

[7] At the early stage, the amount of recycled material, the product weight and possibility to recycle the product at the end of product life are estimated.

[8] The average is calculated for all innovations implemented since January 2016, when the SI evaluation methodology was introduced at Autoneum.

# Autoneum has built up an in-house capability for life cycle assessments of products.

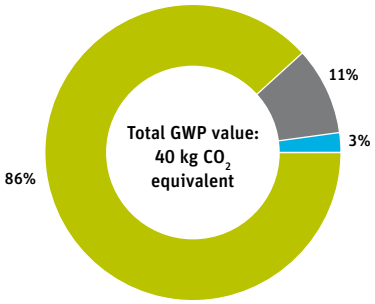
carpets was based on extensive data that the team collected from the respective manufacturing locations. The data was then integrated into a specific model and used for the cradle-to-gate LCA of the products in question. The graphs adjacent illustrate the results obtained for the GWP of three Autoneum carpet systems based on different construction types and technologies.

The LCA enables Autoneum to evaluate the environmental impact of the different materials and acoustic concepts of the respective carpet in each phase of the product life cycle. The 2021 assessment of three of the Company's carpet systems showed, on the one hand, that the tufted heavy layer foam carpet has an overall higher GWP value than the two needlepunch carpets under analysis. On the other hand, the needlepunch carpet based on an acoustic heavy layer and foam construction was shown to have a higher GWP value than the carpet system based on ECO+ felt. Such analyses allow Autoneum to support customers in identifying the most sustainable products for a given vehicle: For all three carpet systems analyzed, the majority of their carbon footprint can be controlled and reduced by the raw materials used. In addition, the analysis revealed an increased environmental impact of the manufacturing processes for the felt-based ECO+ carpet compared to the foam-based products. Thanks to the considerable level of vertical integration of ECO+ and other felt-based components, Autoneum is able to further improve its sustainability performance through internal actions such as increased material efficiency and the usage of sustainable energy sources.

With its wide scope of achievements in innovation and optimization of production processes Autoneum reduces its footprint significantly and thus contributes to reaching the global climate goals.

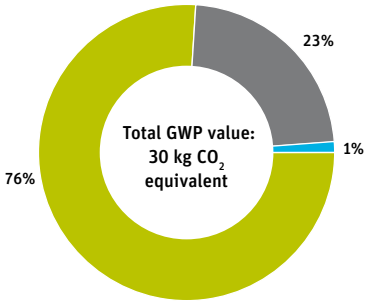
## GLOBAL WARMING POTENTIAL (GWP)*

**Tufted carpet heavy layer and foam**



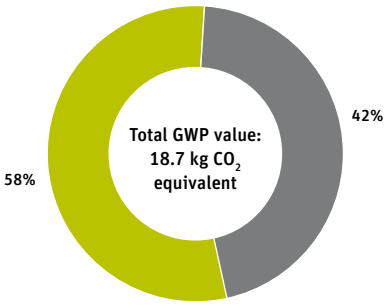

Part weight: **11.5 kg**
GWP/mass: **3.48 kg $CO_2$eq./kg**

**Needlepunch carpet heavy layer and foam**




Part weight: **14.4 kg**
GWP/mass: **2.08 kg $CO_2$eq./kg**

**Needlepunch carpet ECO+ felt**




Part weight: **6.6 kg**
GWP/mass: **2.82 kg $CO_2$eq./kg**

Raw material Manufacturing Distribution

*Net amount of total greenhouse gas emissions and removals expressed in $CO_2$ equivalents.

# Compliance

Being a good corporate citizen means maintaining consistently high legal and ethical standards in all our relationships. This helps us to maintain Autoneum's good reputation, which is a key enabler for business success. Therefore, we have committed ourselves to continuously strengthening our compliance framework and deepening the integration of compliance principles in our Group culture.

At Autoneum, abiding by the law is an absolute prerequisite for every decision and action. Furthermore, employees must comply with the Group's Values and Principles, the Code of Conduct as well as other internal regulations and directives. Apart from Company key policies we respect the UN Declaration of Human Rights, the International Labor Organization's (ILO) fundamental conventions and the Organization for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises. In line with the commitment made in the Advance Sustainability Strategy 2025, we regularly screen our Compliance Management System based on the processes and practices recommended by the ISO 37 301 guideline[9].

## GOVERNANCE, RISK AND AUDIT

The Board of Directors, Autoneum's highest governance body, defines and adopts the Group's compliance strategy and addresses key compliance risks. The overall responsibility for operational compliance, assessment of compliance risks and implementation of the Group's compliance strategy lies with the Group Executive Board. The Compliance Council – consisting of the CEO, the CFO, the Group General Counsel & Head of Compliance, the Head of Internal Audit and the Head of Human Resources – develops the Compliance Program, monitors progress and evaluates compliance incidents on a regular basis. The implementation and continuous improvement of the Compliance Program is ensured by the Group Legal & Compliance department. It defines the compliance policy framework, establishes internal processes, coordinates initiatives, manages training and learning programs and ensures that the organization is compliant with all applicable laws in the different jurisdictions where Autoneum is active, as well as with all internal regulations and directives. The Compliance Program is globally endorsed by the Compliance Ambassador & Supporter Framework. It consists of the Business Group Heads and Legal Unit Heads, whose task is to actively promote compliance topics throughout the Group and to act as a role model for ethical decision-making. The Legal Unit Heads also act as a point of contact for local employees concerning compliance issues and cooperate closely with the Head of Compliance and the Compliance Officer. Autoneum monitors compliance risks with its Risk Management System (see "Corporate Responsibility framework"), e.g. based on regular Group-wide compliance risk surveys. Regular audits on selected compliance topics are conducted by the Group Internal Audit function as part of its annual audit schedule.

## POLICY FRAMEWORK

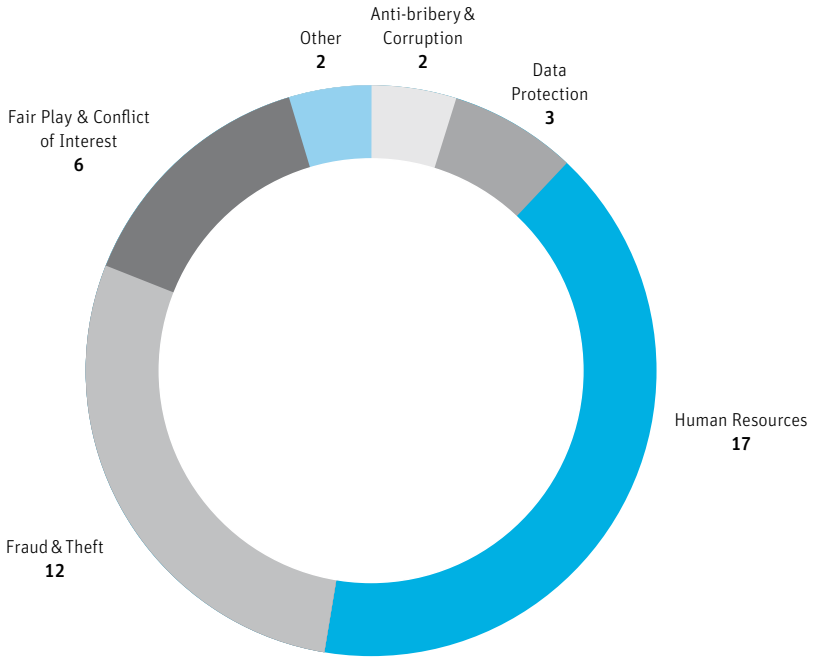
The Code of Conduct is the centerpiece of Autoneum's compliance policy framework. It describes our commitment to complying with relevant international and local laws and regulations, defines the fundamental rules of employee conduct and helps to cultivate business relationships that are based on the principles of truth and honesty. It is essential that Autoneum's employees act in accordance with the Code of Conduct at all times because non-compliance can jeopardize business relationships, lead to financial losses, fines and reputational damage and have serious personal consequences. The Code of Conduct is complemented by a range of specific internal directives. The Human and Labor Rights Directive builds on the Code of Conduct and explains the key principles of human and labor rights protection at Autoneum in detail, referring to international frameworks such as the UN Guiding Principles on Business and Human Rights and the International Bill of Human Rights.

## VISION 2025 – GOOD CORPORATE CITIZENSHIP

| Operational targets | Key achievements in 2021 | Progress |
|---|---|---|
| Implement and maintain a Group-wide Compliance Management System based on ISO 37 301 | › Continuous implementation of actions defined by internal ISO 37 301-based action plan. | On track |
| Strengthen and expand Group-wide compliance risk assessment and audit framework | › Group-wide compliance risk assessment was completed in 2020. Mitigation measures were defined and implemented in 2021 to address the identified risks. | On track |
| Continuously develop the training & awareness framework and maintain completion rate of at least 95% | › Training completion rates[10]:<br>Code of Conduct (overhead staff): **98.3%**<br>Code of Conduct (operators[11]): **93.6%**<br>Global Data Protection: **97.5%**<br>Cybersecurity: **98.1%** | On track |

[9] The international standard ISO 19 600 was replaced by the new ISO 37 301 standard in April 2021.
[10] All training completion rates exclude UGN plants.
[11] Figure includes employees of external agencies.

## INCIDENT REPORT 2021 – CATEGORIES AND NUMBER OF INCIDENTS




The purpose of the directive is to safeguard the highest standards in this respect throughout Autoneum. The Anti-Bribery & Corruption Directive emphasizes Autoneum's zero tolerance approach to corrupt business behavior and provides employees with clear guidance on how to avoid risks in this context. Finally, the Code of Conduct for Suppliers is an integral part of all supplier agreements and contains rules of conduct pertaining to labor and human rights, health and safety, the environment, material compliance and business ethics.

## REPORTING COMPLIANCE INCIDENTS

Autoneum operates a global Speak Up Line, which enables employees, customers and suppliers as well as all other external stakeholders throughout the world to report violations of the Code of Conduct and other regulations securely, confidentially and, if preferred and legally allowed, anonymously. The Speak Up Line is an option in addition to existing channels (i.e. reporting incidents to a superior, the Human Resources department and the Legal & Compliance department). In 2021, a total of 42 reports[12] were filed, the majority of them via the Speak Up Line (see Incident Report 2021 above for a detailed breakdown). If allegations were confirmed or substantiated, appropriate actions were taken to remedy the situation. In the reporting year, no lawsuits for anti-competitive behavior and violations of antitrust law involving Autoneum were pending or concluded.

## COMMUNICATION AND TRAINING

In 2021, Autoneum again implemented a variety of measures to strengthen employee awareness of compliance-related topics. Autoneum continued its mandatory Code of Conduct training program. Overhead staff were trained via e-learning sessions, with a completion rate of 98.3%. Operators without computer access were trained in classroom training sessions carried out in the plants. The completion rate of these trainings was 93.6%. Furthermore, e-learning and online training campaigns were rolled out on topics that are relevant only for certain segments of the workforce, such as procurement, sales and selected management functions. The e-learnings included "Preventing Bribery and Corruption" (completion rate: 96.5%), "Global Data Protection" (97.5%) and "Cybersecurity" (98.1%).

[12] Figure includes employees of UGN plants.

# Supply chain

Autoneum pursues the same values and principles in its supply chain as it does within its own boundaries. We are committed to continuously increasing the transparency of our supply chain, working together with suppliers on improving their environmental, social and ethical performance. By sourcing responsibly, we aim to fulfill the expectations of both our customers and end consumers.

Autoneum supplies automobile manufacturers around the world with components for the interior floor, underbody and engine bay. We operate 53 production facilities and are active in 24 countries, creating substantial demand in direct spend (materials that are directly incorporated in a product) and indirect spend (goods and services supporting the production process, such as machinery, energy and travel services). Autoneum's total procurement spend in 2021 amounted to CHF 948 million. The Company's supplier universe currently consists of 1 064 direct spend suppliers and several thousand indirect spend suppliers. Depending on the number of Autoneum locations served, we differentiate between global, regional and local suppliers. Within the direct spend category, Autoneum sources materials from a total of 49 material families. Of these, the Company has identified ten Global Material Families that are of strategic importance to Autoneum, as they contain materials that are used by most of our operations globally. These include aluminum, yarn, mixed fibers, plastics, reclaimed cotton and polyester, among others. The Global Procurement Leader organization is responsible for analyzing global supply chain risks, implementing standards and specifications, improving transparency and forecasting volatile market requirements.

**1 064**

Autoneum's supplier universe currently consists of approximately 1 064 direct spend suppliers and several thousand indirect spend suppliers.

## RESPONSIBLE SUPPLY CHAIN MANAGEMENT

Autoneum requires all suppliers to commit to and operate in accordance with our Code of Conduct for Suppliers, and to comply with all applicable laws and regulations. The Code of Conduct for Suppliers defines key principles in the following areas: human and labor rights, health and safety, the environment, material compliance and business ethics. In the case of its most business-critical suppliers, Autoneum conducts a Supplier Quality Assessment (SQA), an internal audit mechanism that assesses a variety of factors related to quality, health and safety and the environment.

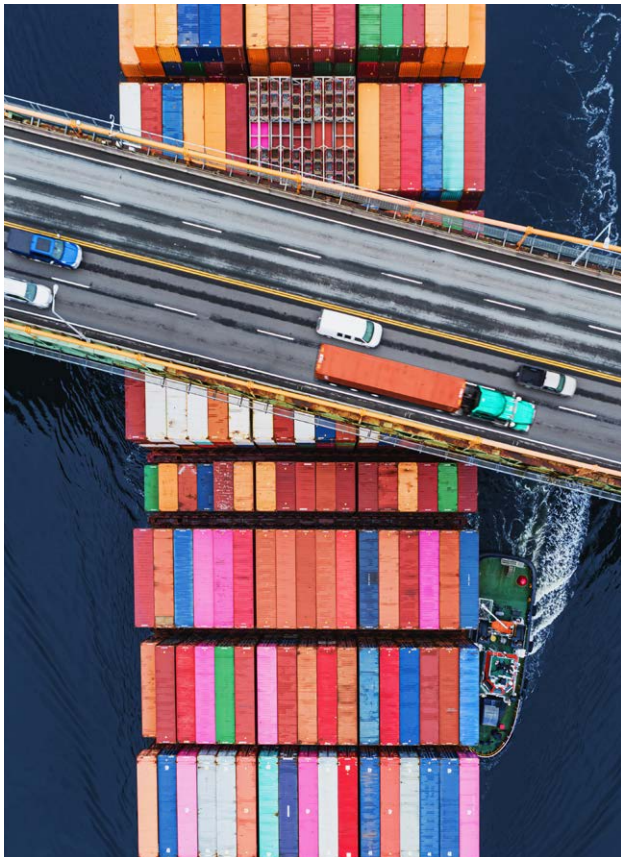
## VISION 2025 – RESPONSIBLE SUPPLY CHAIN MANAGEMENT

| Operational targets | Key achievements in 2021 | Progress |
|---|---|---|
| Implement and maintain responsible procurement practices based on ISO 20 400 Guidance for Sustainable Procurement | › We continuously implement the actions defined by our internal ISO 20 400 action plan.<br>› Risk assessment of Global Material Families in place. High risk materials and suppliers have been reviewed and updated. | On track |
| Ensure that all Autoneum suppliers comply with the Code of Conduct for Suppliers | › Code of Conduct for Suppliers is a standard part of supplier onboarding documentation. | On track |
| Establish supplier risk monitoring system and manage risks on an ongoing basis | › Sustainability self-assessment campaign covering a total of around 100 suppliers from all four Business Groups has been conducted for the third time. | On track |
| Establish supplier audit mechanism and conduct regular on-site audits | › Activities postponed and reflected in a new procedure with a roll-out plan for 2022 (Third-party Due Diligence Directive). | Reactivated |
| Strengthen and expand Company-wide Material Compliance Framework | › Compliance Process Manager tool is used globally by Autoneum suppliers. E-learning program was rolled out to support users. | On track |

As part of the commitments made in the Advance Sustainability Strategy 2025, Autoneum checks its procurement management framework annually against the requirements of the ISO 20 400 Guidance for Sustainable Procurement. Based on the results, the Company implements an action plan to close the identified gaps on an ongoing basis. Furthermore, Autoneum has a sustainability risk analysis mechanism in place that focuses on its ten Global Material Families. According to this analysis, there is a potentially higher occurrence of environmental, social and ethical risks in the supply chains of five key materials. For these, Autoneum has identified the top suppliers in terms of business volume with Autoneum, totaling around 100 across all Business Groups. These suppliers were invited, for the third consecutive year, to conduct a sustainability self-assessment via a supplier assurance platform, developed specifically for automotive supply chains. The self-assessment questionnaire covers themes such as Company Management, Working Conditions and Human Rights, Health and Safety, Business Ethics, Environment, Supplier Management and Responsible Sourcing of Raw Materials.

## MATERIAL COMPLIANCE

Autoneum's material compliance team is responsible for developing processes and tools that ensure the materials purchased and used in our products conform with both legal and customer requirements. Material compliance is essential to protect the health and safety of the end consumers who drive cars equipped with Autoneum components. Autoneum recorded no incidents concerning the health and safety impacts of its products during the reporting year. The Company uses the best practice Compliance Process Manager tool to ensure supplier compliance with material specifications and thresholds defined by legal regulatory frameworks such as REACH[13] and GADSL[14], as well as those specified by automobile manufacturers. The tool allows Autoneum to maintain a comprehensive database of these requirements and helps us and our suppliers to monitor any changes in a single platform. In 2021, an e-learning program covering key material compliance topics was rolled out to all functions involved in the definition of materials used in Autoneum products.



**100**

**suppliers were invited for the third consecutive year to conduct a sustainability self-assessment via a supplier assurance platform.**

## CONFLICT MINERALS

The materials we purchase must also comply with the Dodd-Frank Act, which requires all companies that manufacture in the USA to ensure that the raw materials they use do not involve so-called "conflict minerals". Such minerals are gold or ores used for the production of tin, tantalum or tungsten that are tied in any way to the armed conflict in the Democratic Republic of Congo (DRC). To this end, all suppliers whose materials are used in products sold to US companies are obliged to audit their mineral supply chains on an annual basis and to disclose whether any of the minerals originated in the DRC or a neighboring country. In 2021, 82% of all suppliers fulfilled their conflict minerals reporting obligations to Autoneum. In agreement with our customers, we focus on suppliers that already self-declare the use of conflict minerals via the International Material Data System (IMDS).

[13] Registration, Evaluation, Authorization and Restriction of Chemicals (EC 1907/2006).

[14] Global Automotive Declarable Substance List.

# **Community** engagement

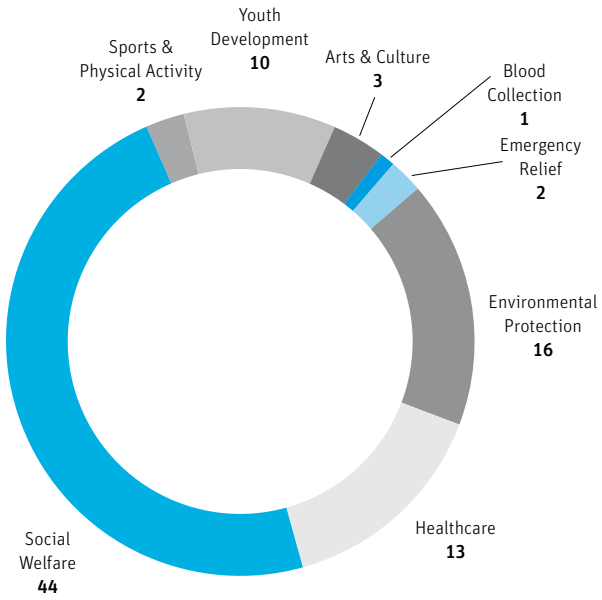
With more than 50 locations in 24 countries, collaborative relationships with local communities are of great importance to Autoneum. We build lasting ties with local stakeholders through a broad range of community projects and are committed to continuously increasing our positive impact on them.

Autoneum aims to act as a responsible corporate citizen and to engage with local communities in a meaningful and effective manner. The corresponding activities are regulated by the Autoneum Guideline for Contributions. The guideline defines the rules and procedures for donations, sponsorships and community engagements on a global level. It is mandatory for each site to define and implement at least one community project annually. Projects are developed based on proposals submitted by sites or from ideas identified jointly with the local community.

## LOCAL COMMUNITY ENGAGEMENT PROJECTS

In 2021, Autoneum implemented 91 community projects across all four Business Groups, with the majority falling in the social welfare category (see graph for a breakdown of projects according to focus area). Around 2 318 Autoneum employees played an active role as volunteers, investing more than 5 404 hours in community engagement. By means of social and environmental projects, Autoneum helps raise public awareness of local sustainability issues and targets and develops long-term relationships with regional stakeholders. For example, Autoneum employees in Bursa, Turkey, initiated a donation and collection campaign for the children's shelter in their community. Thanks to their extraordinary commitment, a generous donation for the "Violence against Children" campaign was collected. The same plant, in their endeavor to donate to a reforestation association, founded in Bursa, planted a total of 1 000 saplings last year. In France, 15 employees from the Blainville plant cleaned up a nearby beach in Normandy of marine debris, separating the waste from recyclable materials and disposing of it correctly. Similarly, 50 employees from our Yantai plant in China collected and disposed of 10 kg of trash from Golden Beach. Employees from our Chinese plant in Guangzhou delivered healthy meals to elderly people in need in their community every day for a month. For ten years, employees at our plant in Bloomsburg, USA, have been supporting "Camp Victory" in Millville, Pennsylvania, with regular maintenance work: In 2021, another roof was repaired for the project, which provides a carefree vacation experience to children with health restrictions, bringing the total number of roofs repaired over the last decade up to twelve.

## COMMUNITY ENGAGEMENT PROJECTS 2021 BY FOCUS AREA




## VISION 2025 – GOOD CORPORATE CITIZENSHIP

| Operational targets | Key achievements in 2021 | Progress |
|---|---|---|
| Support social and community engagement activities of Autoneum employees with incentive structures | › Activities put on hold due to the pandemic. | On hold |
| Implement corporate philanthropy projects at Autoneum Group level on an annual basis | › Activities put on hold due to the pandemic. | On hold |
| Implement local community engagement projects at all Autoneum locations on an annual basis | › Number of projects: **91**<br>› Number of volunteers: **2 318**<br>› Number of volunteering hours: **5 404**<br>› Number of trees planted: **1 076** | On track |

# Environment

Autoneum recognizes the serious environmental challenges the world faces today and wants to play its part in mitigating the effects of climate change and preserving natural resources. We pursue ambitious targets to improve the sustainability of our production processes, thereby continuously reducing our environmental footprint and enhancing operational excellence. We have therefore committed to the Science Based Targets initative (SBTi), aiming to significantly reduce our greenhouse gas emissions.

## POLICY AND GOVERNANCE

Autoneum defines the key principles of its environmental management in the Autoneum Management Policy. With this policy, Autoneum has committed itself to reducing its environmental impact, managing risks in terms of natural hazards and business interruptions, using all resources over the entire life cycle efficiently, focusing on sustainable actions within all business areas and being compliant with laws, provisions, regulations and internal guidelines. The Management Policy is complemented by a range of issue-specific internal policies addressing the management of emissions, waste, water, chemicals and hazardous substances. Furthermore, Autoneum expects all of its employees to behave in an environmentally friendly and safe manner. Our approach is defined by the "15 Principles for Good Environment, Health and Safety Behavior", with five principles addressing manager behavior and ten principles applying to all employees. The Corporate Responsibility Organization, established in 2021 (read more on page 6), coordinates and promotes all activities related to Autoneum's environmental performance, including tracking performance and ensuring target achievement. The implementation of Autoneum's environmental policies and processes are governed by the Group Manufacturing Excellence Systems department. Global activities are monitored and coordinated by the Corporate Responsibility Steering Committee led by the CEO and consisting of the Heads of Business Groups and the Group's main corporate functions.

In view of society's growing expectations regarding sustainability and the fight against climate change, a comprehensive review of all strategic commitments was undertaken in 2021. As a result, our management has redefined and increased our Company's targets in terms of reduction of direct and indirect greenhouse gas emissions in order to meet the ambitious criteria of the SBTi. The SBTi is a global body enabling businesses to set ambitious emissions reductions targets in line with the latest climate science. Having already published these targets in the last Corporate Responsibility Report, Autoneum can now present the first results (see table below). In addition to $CO_2$ emissions from Scope 1 and 2, Autoneum is now reporting fully on Scope 3 emissions for the first time in order to better manage all impacts derived from our corporate activities.

## MANAGEMENT SYSTEM FOR ENVIRONMENT, HEALTH AND SAFETY

With the Environment, Health & Safety Management System (MEHS), launched in 2014, Autoneum aims to implement consistent EHS standards at all locations worldwide and to continuously improve EHS performance. MEHS is based on international and national laws and regulations, as well as on the environmental management system ISO 14 001 and the occupational health and safety management system ISO 45 001, thereby ensuring comparability on a global level. As of the end of 2021, 80% of our plants have been audited in line with MEHS requirements. In addition, 45 of 46 Autoneum production facilities were certified according to ISO 14 001 at the end of the year. There were no cases of non-compliance with environmental legislation during 2021. In order to support the implementation of MEHS worldwide, Autoneum uses a specialized MEHS training program for EHS functions. The trainings cover environmental topics such as emission, water, waste and energy management as well as overall sustainability management.

## SUSTAINABLE PRODUCTS AND PRODUCTION PROCESSES

Due to a shortage of chip supplies, vehicle manufacturers experienced a stuttering stop-and-go production during 2021, and volumes produced remained almost the same as in the 2020 pandemic year. Both low vehicle volumes and irregular production activities impacted production at Autoneum. While absolute volumes of energy and

## TARGETS 2027[15] – SUSTAINABLE PRODUCTS AND PRODUCTION PROCESSES

| Operational targets | Key achievements in 2021 versus 2019 | Progress |
|---|---|---|
| All Autoneum plants achieve ISO 14 001 certification[16] | › Percentage of plants with ISO 14 001 certification: **97.8%** | On track |
| Reduce Scope 1 and 2 emissions by 20%[15] | › Scope 1 and 2 reduced by **16.4%** | On track |
| Increase the share of renewable electricity to 25%[2] | › Renewable electricity share: **17.0%** | On track |
| Reduce Scope 3 emissions by 20%[15] (on minimum 2/3 of the total Scope, relevant target categories to be confirmed by the SBTi) | › Scope 3 reduced by **30.8%** | On track |
| Reduce non-hazardous waste by 40% | › Non-hazardous waste volume reduced by **27.8%** | On track |
| Reduce water consumption by 10% | › Water consumption reduced by **9.7%** | On track |

[15] KPI reported in line with new revised targets 2027 (absolute reduction versus 2019 baseline). Previous KPI as shown in CR report 2020 are displayed in the comprehensive table on page 30.

[16] Excluding UGN and office or sales locations.

water consumption have decreased compared to the 2019 baseline, the intensity has kept increasing over the last two years. This is due to the fact that although the Company's production output was significantly lower during 2021, the production sites remained in operation to some extent, unlike during the closure periods in 2020. Thus, these sites continued to consume energy and water despite generating virtually no revenue.

## ENERGY

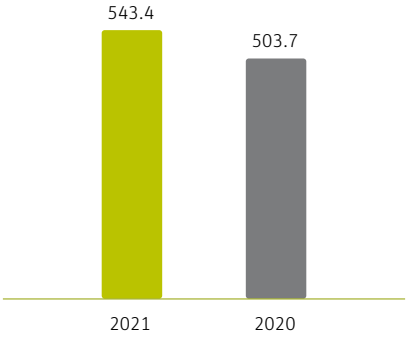
In 2021, Autoneum consumed about 47 000 MWh more energy than in the previous year, which represents an increase of 5.4%. Energy management was a challenge in 2021 due to changed shift patterns and therefore not optimized machine and equipment utilization. This has led to changes in production schedules, making it challenging to adapt energy consumption at our plants. Furthermore, new recycling equipment, while beneficial for waste reduction, is also consuming more electricity. As a result, the Company's total energy intensity increased by 7.9%, with fossil fuel intensity increasing by 9.4% and electricity intensity by 6.2%. Nevertheless, several energy efficiency projects are now in the pilot phase in order to facilitate a better adaptation of the consumption to lower volume. In addition, all our plants will progressively implement energy monitoring systems and apply for ISO 50 001 certification for energy management.

## WATER

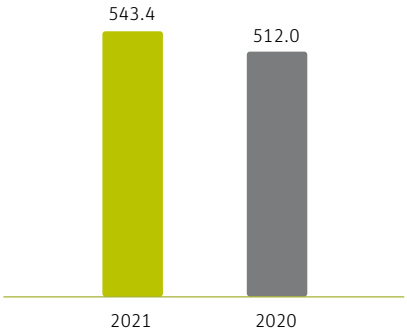
Most of Autoneum's manufacturing processes are not water-intensive; water is mainly needed for cooling, steam generation, carpet dyeing, water jet cutting and domestic purposes. However, we consider reducing water consumption to be part of our manufacturing excellence and therefore invest in water efficiency projects. Autoneum plants consumed almost 32 715 cubic meters more water in 2021, which represents an increase of 3.7% year-on-year. The total water intensity of Autoneum thereby increased by 6.1%. This was partly due to a one-off effect caused by a water leakage in one plant, which has since been discovered and repaired. To this end, an inspection routine was introduced in 2021 to prevent the recurrence of water leaks in future.

## WASTE AND RECYCLING

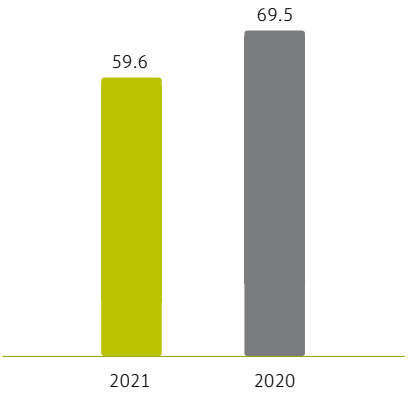
In 2021, Autoneum generated again almost 20 000 tons less waste than in 2020 thanks to multiple reduction initiatives in the past two years, which represents a decrease of 16.2% compared to 2020. Encouragingly, waste intensity also decreased in relative numbers by 14.2% and landfill waste intensity likewise declined by 13.6%. Autoneum has implemented a total of 29 waste optimization projects worldwide addressing both material efficiency and recycling. Systematic blank size optimization has resulted in a significant waste reduction on various products. Furthermore, the Company was also able to benefit in 2021 from the recycling projects initiated in the previous year and the equipment introduced in 2020 had for the first time a full-year positive impact on results. In North America, the recycling partnership initiated in 2020 for tufted carpets, foam waste and inner dashes led to significant improvements in 2021. Further circular economy projects were realized in particular in America and Mexico for felt products. Fiber recovery capacity was hence increased by 10 000 tons per year. New collaboration activities with external suppliers enabled Autoneum to recycle waste externally when internal capacity was insufficient. In other regions, significant progress was also made. For example, felt waste from our Bursa plant in Turkey is now collected and used to produce new felts. Thanks to these new activities, recycling intensity grew by 17% at Group level compared to 2020.




**Energy intensity**
(MWh per CHF million revenue)



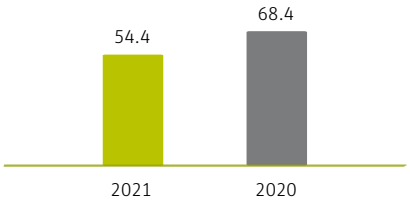

**Water intensity**
($m^3$ per CHF million revenue)




**Waste intensity**
(metric tons per CHF million revenue)

## ACIDIFICATION POTENTIAL INTENSITY

Acidification potential intensity is expressed in sulfur dioxide ($SO_2$) equivalents that result from burning fossil fuels in production processes. These emissions, interacting with atmospheric water, produce acid rain. In 2021, Autoneum's acidification potential decreased by 20.4% in intensity. This is due to a significant decrease – around 40% – of coal consumption at Autoneum's biggest US plant. The facility is currently the only one that still partially uses this energy source for generating steam for heating and production processes.

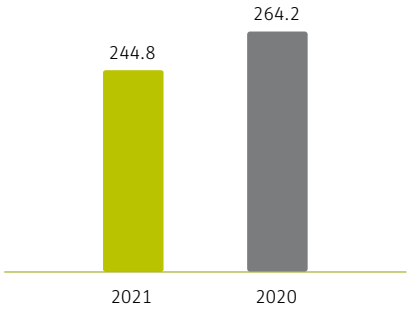



**Acidification Potential Intensity**
(metric tons $SO_2$ equivalents per CHF billion revenue)

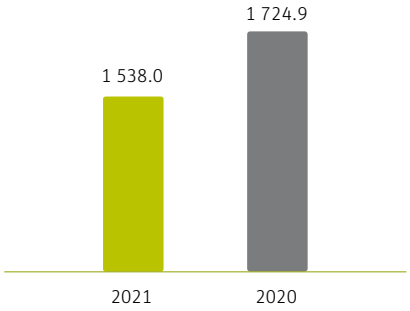
## $CO_2$ EMISSIONS

Although both electricity and fossil fuel consumption increased in absolute values, Autoneum's $CO_2$ emissions from Scope 1 and 2 decreased by 7.4% compared to 2020 and by 16.2% compared to the 2019 baseline. This positive result was achieved thanks to the introduction of renewable electricity in ten plants globally resulting in 17% of the total Group consumption of electricity.

Scope 3 $CO_2$ emissions are a consequence of an organization's activities, but occur at sources not owned or controlled by the organization. In 2021, a complete inventory of the full Scope 3 was completed for the first time including the assessment of the 15 categories defined by the Greenhouse Gas Protocol (GHG). Purchased Goods and Services (Category 1) represent more than 70% of Scope 3 emissions. In particular, direct purchased material on its own represents a large proportion of the total amount and is the main lever to reduce our emissions. Roadmaps have been defined to reduce the carbon footprint of the most emitting materials (aluminum, polyurethane foams, virgin yarns and fibers).




**Scope 1 and 2**
(metric kilo tons $CO_2$ equivalents)

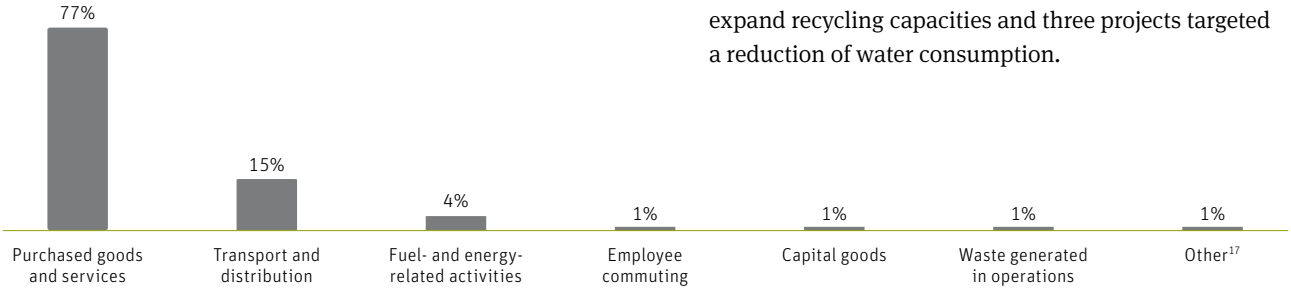



**Scope 3**
(metric kilo tons $CO_2$ equivalents)

The absolute reduction of Scope 3 emissions between 2019 and 2021 resulted partly from the increasing use of recycled materials and the roll-out of Pure technologies and also from the reduced production volume leading to lower purchased material quantities. The Scope 3 intensity has decreased by 8.7% compared to 2020 and by 6.5% compared to 2019.

## ECO-EFFICIENCY PROJECTS

In 2021, the Company implemented a total of 67 eco-efficiency projects at 23 production sites. 35 projects aimed to reduce energy consumption, 29 to reduce waste and expand recycling capacities and three projects targeted a reduction of water consumption.




**Scope 3 emissions breakdown 2021**

[17] Other includes: end-of-life of products sold, downstream leased assets, franchising and investments, business travel.

| Environmental key performance indicators | Absolute figures | | | | | Relative figures | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2021 | 2020 | 2019 | Difference to 2020 | Difference to base line2019 | 2021 | 2020 | 2019 | Difference to 2020 | Difference to base line2019 |
| **Energy** (MWh) | **923 936** | **876 809** | **981 341** | **5.4%** | **–5.8%** | 543.4 | 503.7 | 427.2 | 7.9% | 27.2% |
| Fossil fuels | 487 220 | 455 724 | 505 914 | 6.9% | –3.7% | 286.5 | 261.8 | 220.2 | 9.4% | 30.1% |
| Electricity | 436 716 | 421 085 | 475 427 | 3.7% | –8.1% | 256.8 | 241.9 | 206.9 | 6.2% | 24.1% |
| Renewable electricity (%) | 17.0% | 0% | 0% | 17.0% | 17.0% | | | | | |
| **Energy intensity** (MWh per CHF million revenue) | | | | | | **543.4** | **503.7** | **427.2** | **7.9%** | **27.2%** |
| **Water** ($m^3$) | **923 954** | **891 239** | **1 023 161** | **3.7%** | **–9.7%** | 543.4 | 512.0 | 445.4 | 6.1% | 22.0% |
| Municipal water | 854 723 | 771 600 | 914 071 | 10.8% | –6.5% | 502.7 | 443.3 | 397.9 | 13.4% | 26.3% |
| Ground water | 52 724 | 87 953 | 81 817 | –40.1% | –35.6% | 31.0 | 50.5 | 35.6 | –38.6% | –12.9% |
| Other | 16 508 | 31 686 | 27 272 | –47.9% | –39.5% | 9.7 | 18.2 | 11.9 | –46.7% | –18.2% |
| **Water intensity** ($m^3$ per CHF million revenue) | | | | | | **543.4** | **512.0** | **445.4** | **6.1%** | **22.0%** |
| **Recycling** (metric tons) | **68 237** | **58 226** | **62 846** | **17.2%** | **8.6%** | **40.1** | **33.5** | **27.4** | **20.0%** | **46.7%** |
| Internal recycling (reclaiming) | 45 592 | 43 705 | 43 452 | 4.3% | 4.9% | 26.8 | 25.1 | 18.9 | 6.8% | 41.8% |
| External recycling | 22 645 | 14 521 | 19 394 | 55.9% | 16.8% | 13.3 | 8.3 | 8.4 | 59.6% | 57.8% |
| **Recycling intensity** (metric tons per CHF million revenue) | | | | | | **40.1** | **33.5** | **27.4** | **20.0%** | **46.7%** |
| **Waste** (metric tons) | **101 373** | **121 009** | **140 218** | **–16.2%** | **–27.7%** | **59.6** | **69.5** | **61.0** | **–14.2%** | **–2.3%** |
| Hazardous waste | 766 | 694 | 898 | 10.5% | –14.7% | 0.5 | 0.4 | 0.4 | 13.1% | 15.3% |
| **Non–hazardous waste** | **100 607** | **120 316** | **139 320** | –16.4% | –27.8% | 59.2 | 69.1 | 60.6 | –14.4% | –2.4% |
| Waste converted into energy | 21 844 | 26 968 | 36 197 | –19.0% | –39.7% | 12.8 | 15.5 | 15.8 | –17.1% | –18.5% |
| Landfill waste | 78 762 | 93 348 | 103 123 | –15.6% | –23.6% | 46.3 | 53.6 | 44.9 | –13.6% | 3.2% |
| **Non–hazardous waste intensity** (metric tons per CHF million revenue) | | | | | | **59.2** | **69.1** | **60.6** | **–14.4%** | **–2.4%** |
| **Total waste intensity** (metric tons per CHF million revenue) | | | | | | **59.6** | **69.5** | **61.0** | **–14.2%** | **–2.3%** |
| **$CO_2$ emissions*** (metric tons $CO_2$ equivalents)[18] | **1 782 540** | **1 989 113** | **2 513 074** | **–10.4%** | **–29.1%** | **1048.3** | **1142.8** | **1093.9** | **–8.3%** | **–4.2%** |
| Scope 1 | 101 024 | 95 894 | 108 326 | 5.3% | –6.7% | 59.4 | 55.1 | 47.2 | 7.8% | 26.0% |
| Scope 2 (market based)[19] | 143 549 | 168 338 | 183 428 | –14.7% | –21.7% | 84.4 | 96.7 | 79.8 | –12.7% | 5.7% |
| Scope 1 and scope 2 (market based) | 244 573 | 264 232 | 291 754 | –7.4% | –16.2% | 143.8 | 151.8 | 127.0 | –5.3 | 13.3% |
| Scope 3[20] | 1 537 967 | 1 724 881 | 2 221 320 | –10.8% | –30.8% | 904.5 | 991.0 | 966.9 | –8.7 | –6.5% |
| **$CO_2$ emissions intensity** (equivalents per CHF million revenue) | | | | | | **1048.3** | **1142.8** | **1093.9** | **–8.3%** | **–4.2%** |
| **Acidification potential** (metric tons $SO_2$ equivalents) | **93** | **119** | **179** | **–22.2%** | **–48.3%** | **54.4** | **68.4** | **77.9** | **–20.4%** | **–30.1%** |
| **Acidification potential intensity** (metric tons $SO_2$ equivalents per CHF billion revenue) | | | | | | **54.4** | **68.4** | **77.9** | **–20.4%** | **–30.1%** |

* Data points were restated (updated energy conversion and $CO_2$ emission factors, switch from "location-based" to "market-based" accounting for electricity-based $CO_2$ emissions), covering the disclosure GRI 102-48.

[18] Greenhouse gas inventory calculated in accordance with the WRI/WBCSD Greenhouse Gas Protocol. Emission factor sources: UK Defra (2021), US EPA eGRID (2020), IEA (2021), AIB (2020).

[19] The greenhouse gas emissions associated with electricity consumption are reported using the "market-based" approach in accordance with the Greenhouse Gas Protocol Scope 2 standard. Using the "location-based" approach, emissions in 2021 totaled 165 825 $tCO_2e$ (2020: 156 343 $tCO_2e$; 2019: 169 273 $tCO_2e$).

[20] Scope 3 inventory calculated with a hybrid methodology including an activity-based calculation for direct purchased materials and business travel and a monetary-based estimation for the other categories. Monetary estimations led to a higher uncertainty.

# Employees

Autoneum's success relies on all the people working hard for the profitable growth of our business. That's why we want to create a working environment that enables employees to develop, to engage and to give their best at work. We believe that a fair, attractive and inclusive work environment forms a solid basis on which our High Performance Culture can grow.

## FAIR AND ATTRACTIVE WORKPLACE[21]

Autoneum recognizes employees as its most valuable resource. We want to attract the best new talents in the market – and retain colleagues who have chosen to grow together with us over the years. For this reason, "Fair and Attractive Workplace" is one of the four key dimensions of the Advance Sustainability Strategy 2025. As part of this strategy, Autoneum has committed to offering a true value proposition to its employees and to continuously improve working conditions across all sites.

Frequent interruptions in operations due to the semiconductor shortage required the Company to be more agile and efficient in 2021, thus posing new challenges for employees. These challenges brought to light the importance of engagement, as it has great influence on the performance of the Company. In this regard, a global employee engagement survey was conducted in 2021 to find out which factors especially influence employee engagement at Autoneum. The result indicated three key areas for improvement: feedback, recognition and development. Based on the results, corresponding

**Autoneum sees fostering employee engagement as a key priority of its corporate culture.**

## VISION 2025 – FAIR AND ATTRACTIVE WORKPLACE

| Operational targets | Key achievements in 2021 | Progress |
|---|---|---|
| Set and maintain benchmark position for 'training days per employee' in industry peer group | › Benchmark: 3.1 (=25 hours) average days of training per employee<br>› Average days of training per employee: **2.5** (2020: 1.6) | Progress |
| Achieve employee appraisal coverage for 95% of Autoneum staff | › Employee appraisal coverage: **96.8%** (2020: 95.5%) | On track |
| Implement development framework for operators | › Multi-skill framework for operators is in place. | On track |
| Establish and maintain Diversity & Inclusion governance framework and implement targeted measures in all Autoneum Business Groups | › Diversity & Inclusion Board defined key focus areas – awareness, culture & gender, continuous improvement and training – each of which contains a comprehensive set of activities.<br>› 219 women participated in a survey for setting up a women's network. Plan for a Diversity & Inclusion awareness campaign launched. | On track |
| Increase share of women in management positions to 30% and continuously improve Autoneum D&I metrics | › Share of women in management positions has decreased to **18.8%**[22] (2020: 19%).<br>› Additional metrics are measured internally. | Not on track |
| Define and implement employee value proposition (EVP) at all Autoneum locations | › An Employer Branding Project Team consisting of members selected from the High Performance Leadership Program was formed and addressed next steps for a new EVP. | Progress |
| Improve employee engagement with an effective follow-up action plan | › Improve employee engagement and achieve a percentile of 50% (or higher) in Gallup's overall benchmark for employee engagement survey by 2025. (This is equivalent to an overall average of 4.0.)<br>› Implement action plan: share results, develop action plan, define progress, involve all management and team levels.<br>› In total, 78 projects with a value of CHF 4.4 million were implemented by Autoneum locations globally aimed at improving working conditions. | New target[23] |
| Reduce Autoneum Group employee turnover rate to 10% | › Autoneum Group employee turnover rate: 19.7% (2020: 32%) | Progress |

[21] If not stated otherwise, all figures in this chapter exclude workers of external agencies, apprentices, employees on maternity leave and employees with an absence of more than 30 days.

[22] The composition of female executives has been redefined and includes leaders from global executives to top management positions.

[23] The "Employee Engagement Survey" replaced the "Employee Satisfaction Survey" in 2021.

improvement measures were being developed at the end of 2021. All managers will share results with their teams, then collaborate to create an action plan and follow up on the actions throughout the year 2022. Autoneum will make it a priority in the coming years to make employee engagement a part of the Company's DNA and culture. The new "Employee Engagement Survey" will therefore replace the "Employee Satisfaction Survey" in the future. For these reasons, we have adjusted the operational target related to employee engagement.

In 2021, Autoneum's global turnover rate was reduced from 32.0% in 2020 to 19.7%. This was the lowest rate since 2018. The main reason for this was a significant reduction of involuntary departures due to fewer restructuring measures than the year before.

Following the restructuring carried out in 2020, our high-performing employees remain with us, showing a higher commitment because they are given more demanding tasks and receive greater recognition. Our adapted staff development strategy with an increased focus on corporate culture, employee engagement, skills development and succession planning for key positions also showed first progress.

# 96.8%

In 2021, 96.8% of eligible Autoneum employees underwent a performance and career development review.

## TRAINING AND EDUCATION

Autoneum is committed to a high performance culture underpinned by its corporate values and principles. Our employees are required to contribute to this culture in all their decisions and actions. At the same time, we continuously invest in their professional qualifications and personal skills essential to our business success. Autoneum's training and education policies and processes are governed by the Human Resources department. The Company addresses the training needs of each employee on an individual basis and formulates tailored development plans. Besides on-the-job training and locally organized courses, we use the People Development curriculum, which defines learning content for Autoneum's five employee bands, ranging from operators and technicians to management. In 2021, Autoneum employees completed 2.5 days of training on average (2020: 1.6 days), which is slightly below the benchmark of 3.1 days, but again moving closer to the target. The operator population – which constitutes the majority of Autoneum's workforce – receives all training in classroom sessions. These training sessions took place less often during this period due to interrupted production (chip supply crisis).

## LEADERSHIP DEVELOPMENT

Autoneum offers targeted training and development programs for exceptional talents around the world. The International Learning Program (ILP) is our global training concept for employees with at least two years of service at our Company, a strong performance record at a relatively early career stage as well as intercultural experience. ILP provides employees with intercultural training by applying the so-called "action learning process", facilitated by teamwork on selected projects. For middle managers across all locations, Autoneum conducts a High Performance Leadership (HPL) training program. The training helps them to reflect on and further develop their leadership skills in order to fulfill the requirements of the Autoneum Competency Model based on the Company's values and principles. The HPL work groups work on selected Group strategic projects which facilitate the Company to fine-tune its strategy and, at the same time, enhance the skills and competencies of the HPL participants. In 2021, Autoneum continued to offer employees opportunities for professional and personal development. For example, 36 middle managers from all Business Groups and Headquarters participated in a virtual HPL project, supported by online learning, virtual teamwork and work on six selected Group strategic projects focusing on new mobility, sustainability, innovation agility, employer branding and a rotational development program.

At the end of 2021, a survey was rolled out globally to collect people's needs for training. Based on the feedback, the Company strategy and the competencies required for high performance in the future, Autoneum aims to extend its training offer for the Group. This offering should include more training on functional knowledge, management and soft skills. Training methods such as e-learning, video and in-house trainers were evaluated. Among the methods evaluated, a new e-learning platform was selected, which will be tried out during 2022.

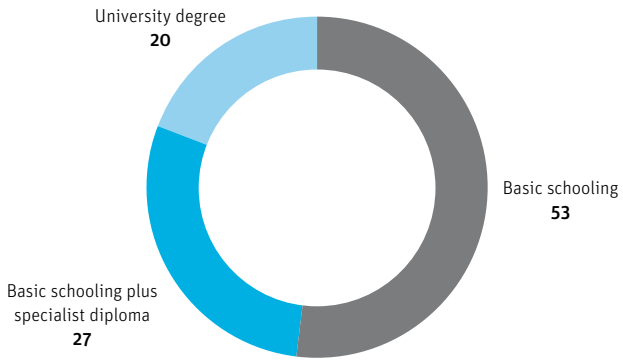
## DEVELOPMENT FRAMEWORK FOR OPERATORS

Autoneum maintains a multi-skill matrix program for plants, which offers operators an opportunity for personal development. In four phases, operators gradually become more familiar with the safety, quality and productivity standards of various workstations in their plant. Towards the end of the learning process, they are able to not only operate these workstations at any time, but can also train other operators to do so. The multi-skill matrix program increases team autonomy and performance in several ways. For one, while allowing flexible adaptation to variations in customer demand, it ensures the continuity of production should specific circumstances occur, e.g. an absence due to illness or vacation. Secondly, it further develops the qualifications of operators while strengthening their ownership of production results. Additionally, frequent job rotation helps employees to develop a deeper understanding of various workstations, processes and related risks, which also contributes to a significant reduction of work accidents.

## EMPLOYEE APPRAISAL

Strong performance and self-motivation are prerequisites for career advancement and development at Autoneum. The Performance Management Process (PMP) is the Company's key tool for ensuring that employees are dedicated to Autoneum's values and principles and its high performance culture. The PMP consists of regular feedback and structured career development interviews. At the beginning of the annual cycle, managers and subordinates agree on individual goals aligned with Autoneum's overall strategy. During the annual appraisal process, the performance of employees is evaluated by their managers; one of the criteria is whether the employees act in accordance with Autoneum's values and principles and whether they actively contribute to building and maintaining the Company's high performance culture. In the case of employees enrolled in the bonus plan, this criterion is part of the bonus evaluation process. In 2021, 96.8% of eligible Autoneum employees underwent a performance and career development review (2020: 95.5%), which means we are not only above our target but also bettered ourselves compared to last year.

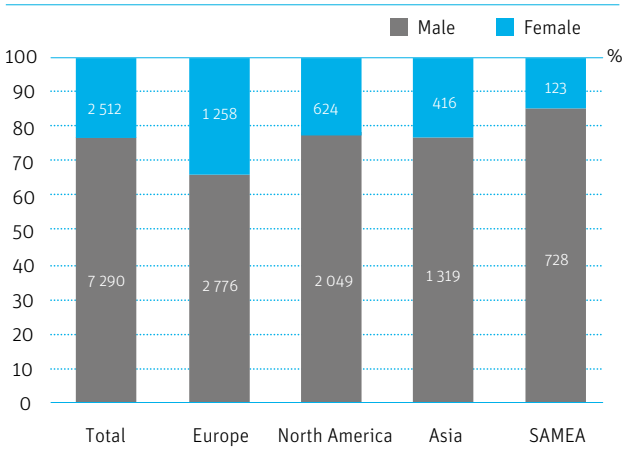
## EMPLOYEES 2021 BY HIGHEST LEVEL OF EDUCATION IN %[24]



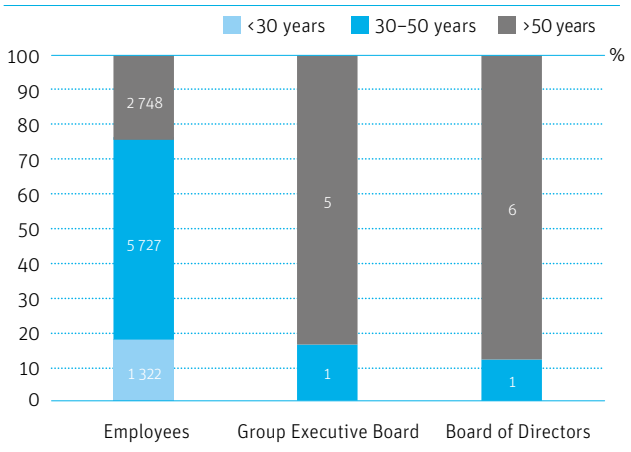

## DIVERSITY & INCLUSION

As a company with operations on four continents, Autoneum employs people from a wide variety of national, ethnic, cultural and personal backgrounds. Diversity goes hand in hand with our corporate value of "living a global spirit" and is also part of our everyday reality as a multinational company. Diversity is key for us as a technology leader as well: Diverse teams with an open-minded culture tend to be more agile, creative and successful in developing new, disruptive ideas. Therefore, it is essential for Autoneum to maintain a working environment where everyone is treated equally. We take a zero tolerance approach toward any type of harassment or discrimination based on race, gender, age, religion, political affiliation or sexual

## EMPLOYEES BY BUSINESS GROUP AND GENDER (2021)




## EMPLOYEES BY AGE (2021)




[24] Covering the disclosure GRI 102-41.

orientation. The key principles of anti-discrimination are described in our Code of Conduct, which is signed by every new employee upon joining Autoneum. Furthermore, we maintain a global Speak Up Line that enables employees of Autoneum as well as external parties to anonymously report violations of the Code of Conduct. In 2021, eight reported incidents were related to discrimination and six of these were substantiated. This means that incidents have decreased compared to previous years.

As part of the Advance Sustainability Strategy 2025, Autoneum has committed itself to establishing a Group-wide diversity and inclusion governance framework. This has materialized in the form of the Diversity & Inclusion Board, which consists of six Diversity & Inclusion ambassadors – three women and three men – representing all Business Groups as well as various functions of the Company. The Board works closely with the Business Groups in identifying location-specific diversity challenges, addressing these with targeted measures and defining meaningful metrics to measure progress.

The Diversity & Inclusion Board met four times in 2021 to develop further activities in the defined focus areas of awareness, culture and gender, continuous improvement and training. An internal survey was sent out in autumn to assess interest in and possible benefits of a women's network. The survey revealed a clear result: 91% of the participants would like to have a women's network and see a benefit in it. Therefore, Autoneum launched a women's network on March 8, 2022, with the aim to promote exchange and support among women themselves. Autoneum strives to hire female successors for female leaders who leave the Company. But this could not be achieved in all cases last year. Thus, Autoneum defined measures in 2021 to further improve the internal female talent pipeline and to increase the share of women in leadership positions.

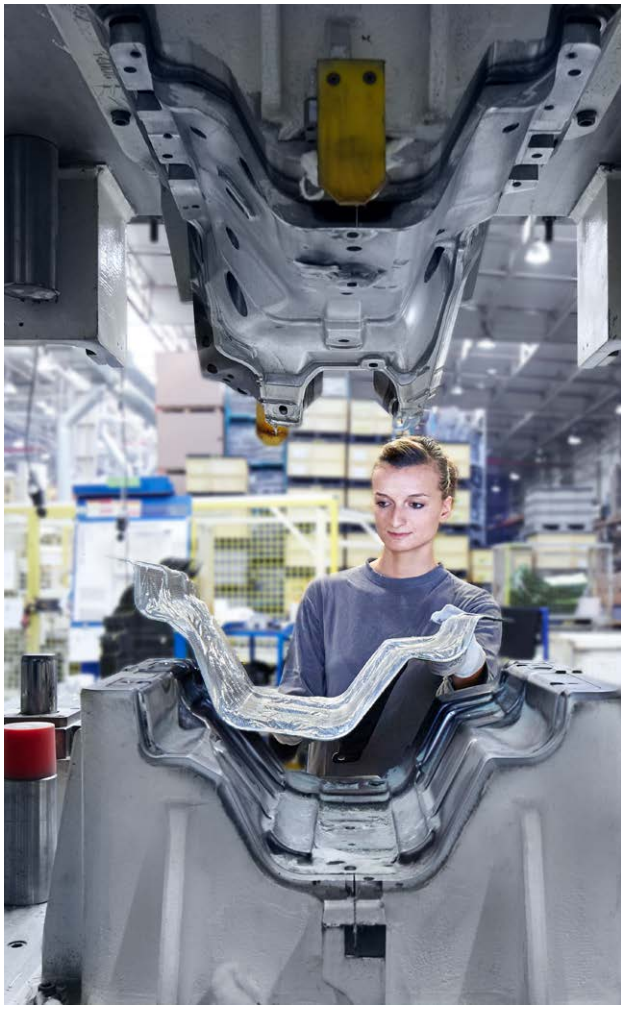
## EMPLOYEE PARTICIPATION

Autoneum recognizes freedom of association and collective bargaining as a fundamental human right. Employees are free to form, join and run employee organizations or works councils, to join labor unions and to collectively bargain or seek representation in accordance with local laws. In 2021, 53% of our employees were covered by collective bargaining agreements (2020: 42%) and 48% were members of a labor union (2020: 66%)[25].

[25] The number of employees who are members in a labor union has gone down, but this is a soft figure only because in many countries union membership remains confidential and is not known to the employer.

## Autoneum's women's network helps women to exchange and to support each other at work.

In some locations – such as Switzerland, the United Kingdom, Poland, Russia and some US states – collective bargaining agreements between employer and employee organizations are not part of the legal framework. In the European Union, worker participation is ensured by the European Works Council (EWC). The EWC is the body that represents the European Union employees of a company. Besides common internal communication channels, the EWC is a platform via which employee delegates from EU countries are informed by company management about business developments and significant decisions that could affect employment or working conditions. They are also consulted on decisions at the EU level that are subject to codetermination rights.



## HEALTH AND SAFETY

As a manufacturing company, employee health and safety is of critical importance to Autoneum. The Company is committed to providing and maintaining a safe and healthy work environment for employees as well as for customers, suppliers and visitors. We follow the principle of continuous improvement to ensure the efficient prevention of incidents and accidents. The leadership and commitment of top management play an essential role in promoting a culture of safety at all Autoneum operations. All Autoneum health and safety policies and processes are governed by the global Environment, Health & Safety (EHS) Steering Committee. The Company's health and safety management approach is defined by the "Management Policy on Quality, Environment, Health and Safety" and the "15 Principles for Good Environment, Health and Safety Behavior", with five principles addressing manager behavior and ten principles applying to all employees.

## MANAGEMENT SYSTEM FOR ENVIRONMENT, HEALTH AND SAFETY

Autoneum's Environment, Health & Safety Management System (MEHS) is a framework integrating international and national laws and regulations and the requirements of the occupational health and safety management system ISO 45 001 and environmental management system ISO 14 001. It serves as an organizational blueprint for Autoneum sites, on the basis of which they can implement state-of-the-art EHS processes that apply across the entire organization. As of the end of 2021, 80% of our plants were audited in line with MEHS requirements, with an average compliance rate of 86.6%. In addition, 32 of 45 Autoneum production facilities[26] were certified according to ISO 45 001, the world's leading standard for occupational health and safety. The Company also further refined its safety requirements for felt lines as these – due to their technical complexity and specific layout – represent potentially higher health risks for employees. In addition, a safety manual with standardized measures to mitigate risks in felt production was developed and introduced worldwide.

**80%**

**of our plants were audited in line with MEHS requirements, achieving an average compliance rate of 86.6%.**

## TRAINING PROGRAMS AND ACTIVITIES

In order to support the implementation of MEHS worldwide, Autoneum makes specialized training programs for EHS functions available. The training elements cover key EHS topics such as machine guarding, accident investigation and reporting, lockout-tagout (LOTO), permits to work under specific circumstances, hazardous energy control, working at heights and contractor management. In pursuit of Autoneum's Zero Accident Vision, the Group Manufacturing Excellence department also continued in 2021 the Safety Leadership program launched in the previous year, mainly virtually and, in particular, in plants with higher accident rates, in order to sensitize all plant, shift and EHS managers to the early identification of hazards and new safety aspects. In 2021, more than 400 employees from all the plants participated globally in virtual trainings. Also, more than 300 maintenance employees globally participated in an e-learning course.

## VISION 2025 – FAIR AND ATTRACTIVE WORKPLACE

| Operational targets | Key achievements in 2021 | Progress |
|---|---|---|
| Reduce accident frequency rate (AFR) by 20% each year | › AFR reduction: **17.0%** | Progress |
| Develop, implement and continuously improve EHS training at all plants and maintain completion rate of 95% | › EHS training completion rate: **85.8%** | On track |
| Develop and implement ergonomic assessments at all plants | › Percentage of sites that implemented ergonomic assessments: **93.3%** | On track |
| All Autoneum plants achieve ISO 45 001 certification | › 32 sites achieved certification ISO 45 001. Total number compared to last year has increased by 3.<br>› Percentage of sites with a certified occupational health and safety management system (ISO 45 001): **71.0%** | On track |

[26] Excluding UGN and office or sales locations. Three additional locations were certified according to ISO 45 001 in 2021.

## IMPROVING WORKING CONDITIONS

Autoneum regularly monitors how employees perceive working conditions, particularly in the production environment and the Business Groups conduct comprehensive assessments of workplace needs in each location. In 2021, a total of 78 projects[27] were implemented to address challenges in the following areas: workplace and machine safety, fire safety, ergonomics, temperature, lighting, air quality, noise control as well as precautions against the coronavirus pandemic. More than CHF 4.4 million was invested in EHS globally.

Accident severity rate decreased by 35% and the accident frequency rate by 17% compared to last year.

## PROTECTING EMPLOYEE HEALTH DURING THE CORONAVIRUS PANDEMIC

To protect employees from the coronavirus, all Autoneum plants worldwide continued to implement strict health requirements and measures this year.

## ERGONOMICS

On the shopfloor, day-to-day tasks may include handling heavy loads or performing repetitive actions in awkward positions, which can result in injuries and accidents. The continuous improvement of ergonomic conditions is therefore one of the best accident prevention strategies. Autoneum's approach in this area consists of a number of elements. Plants start with a comprehensive analysis of the accidents that have occurred at workstations. The findings are then systematized and, if they are identified as the root cause for an ergonomic-related accident, are used as the basis for improving the workstation. A software solution or dedicated templates help to make qualitative evaluations of ergonomic risks. Finally, one key element focuses on the promotion of appropriate behavior patterns among shopfloor workers. The approach follows the principle of "participatory ergonomics", seeking to maximize the involvement of operators, as they have the most detailed knowledge of and experience with work processes. There are numerous positive effects: Optimized ergonomic conditions increase workplace safety and improve morale and productivity.

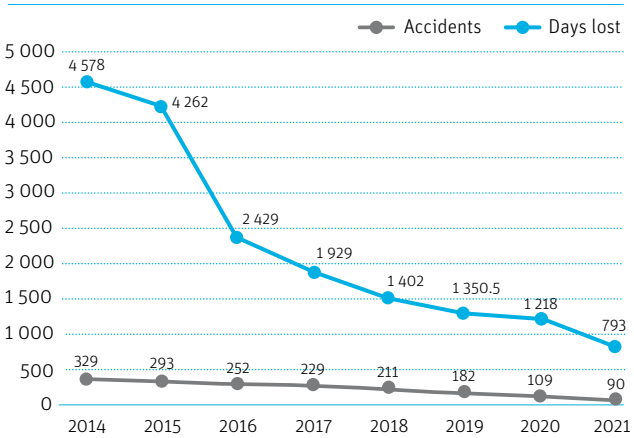
Autoneum's ergonomics handbook provides the framework for the ergonomic design of workstations, explains the key principles of accident risk detection and promotes good practices that prevent physical strain in the workplace, such as warm-up exercises and job rotation. The handbook is complemented by a training session during which participants are trained in the basic principles of ergonomics at Autoneum and the use of software for evaluating corresponding conditions at workstations. In 2021, the focus was on training newcomers in online courses. Our aim to develop and implement ergonomic assessments at all of our plants saw fructification this year too, with the percentage of sites that implemented the ergonomic assessments rising to 93.3% in 2021.

## PERFORMANCE AND AND KEY PERFORMANCE INDICATORS

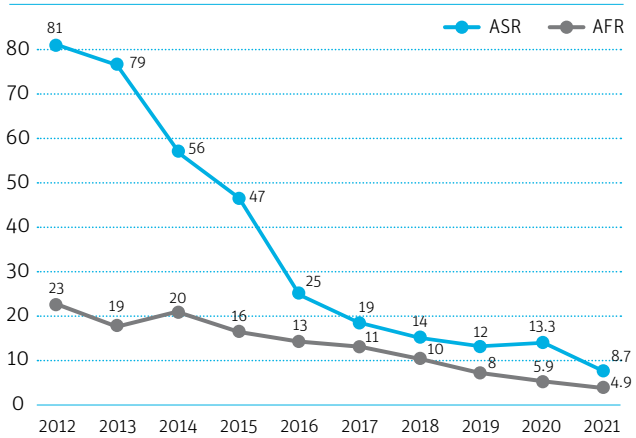
The continuous improvement of health and safety conditions is essential for Autoneum. Therefore, we strive to avoid accidents at all times. Bruises, swellings, cuts and puncture wounds were the primary types of accident at Autoneum plants in 2021. The body parts mainly affected were hands, fingers, arms and ankles. In 2021, we improved the health and safety key performance indicators. The accident frequency rate decreased by 17%, which is close to the target of an annual reduction of 20%. The accident severity rate decreased by 35% and absenteeism was with 2.9% lower compared to last year.

[27] Excluding UGN and office or sales locations.

## NUMBER OF ACCIDENTS AND NUMBER OF DAYS LOST




## ACCIDENT SEVERITY RATE (ASR) AND ACCIDENT FREQUENCY RATE (AFR)




**Health and safety key performance indicators[28]**

| | 2021 | 2020 |
|---|---|---|
| Number of accidents | 90 | 109 |
| Number of days lost[29] | 793 | 1 218 |
| Accident frequency rate (AFR)[30] | 4.9 | 5.9 |
| Accident severity rate (ASR)[31] | 8.7 | 13.3 |
| Absenteeism[32] | 2.9% | 3.5% |
| Work-related fatalities | 0 | 0 |
| Percentage of workers who are represented by formal joint management-worker health and safety committees | 95.5% | 95.6% |
| Percentage of plants with ISO 45 001 certification | 71.1% | 65.2% |
| Percentage of plants with ISO 14 001 certification | 97.8% | 97.8% |
| Percentage of plants that have implemented ergonomic assessments | 93.3% | 73.9% |
| EHS training completion rate | 86.6% | 91% |
| Number of production facilities[33] | 45 | 46 |

[28] All figures include workers from external agencies and exclude UGN.

[29] In the case of accidents involving contractors, no days lost are reported in the KPI.

[30] Calculated on the basis of the following formula: Accident Frequency Rate = number of accidents / planned working hours * 1 000 000.

[31] Calculated on the basis of the following formula: Accident Severity Rate = number of days lost / planned working hours * 200 000.

[32] Calculated on the basis of the following formula: absenteeism = total absent hours / planned working hours * 100.

[33] Excluding UGN and office or sales locations.

# GRI content index[34]

## GRI 101: Foundation 2016

## GRI 102: General disclosures 2016

| Disclosure | Description | Reference |
|---|---|---|
| | **ORGANIZATIONAL PROFILE** | |
| 102-1 | Name of the organization | Autoneum |
| 102-2 | Activities, brands, products, and services | Customers and products, p. 9–13 |
| 102-3 | Location of headquarters | Global presence, p. 10 |
| 102-4 | Location of operations | Global presence, p. 10 |
| 102-5 | Ownership and legal form | Annual Report 2021, p. 42–44 |
| 102-6 | Markets served | Customers and products, p. 10 |
| 102-7 | Scale of the organization | About Autoneum, p. 2<br>Economic performance, p. 4<br>Annual Report 2021, p. 65 |
| 102-8 | Information on employees and other workers | Employees, p. 34 |
| 102-9 | Supply chain | Supply chain, p. 21–23 |
| 102-10 | Significant changes to the organization and its supply chain | Annual Report 2021, p. 83 |
| 102-11 | Precautionary Principle or approach | Corporate Responsibility framework, p. 6<br>Compliance, p. 18–20 |
| 102-12 | External initiatives | Community engagement, p. 24–25 |
| 102-13 | Membership of associations | Corporate Responsibility framework, p. 7 |
| | **STRATEGY** | |
| 102-14 | Statement from senior decision-maker | Foreword, p. 3 |
| | **ETHICS AND INTEGRITY** | |
| 102-16 | Values, principles, standards and norms of behavior | Corporate Responsibility framework, p. 6<br>Compliance, p. 18–20 |
| | **GOVERNANCE** | |
| 102-18 | Governance structure | Annual Report 2021, p. 42–44<br>Corporate Responsibility framework, p. 5–8 |
| | **STAKEHOLDER ENGAGEMENT** | |
| 102-40 | List of stakeholder groups | Corporate Responsibility framework, p. 7 |
| 102-41 | Collective bargaining agreements | Employees, p. 34 |
| 102-42 | Identifying and selecting stakeholders | Corporate Responsibility framework, p. 7 |
| 102-43 | Approach to stakeholder engagement | Corporate Responsibility framework, p. 7 |
| 102-44 | Key topics and concerns raised | Corporate Responsibility framework, p. 7 |

[34] For the Materiality Disclosures Service, GRI Services reviewed that the GRI content index is clearly presented and the references for Disclosures 102-40 to 102-49 align with appropriate sections in the body of the report.

| Disclosure | Description | Reference |
|---|---|---|
| | **REPORTING PRACTICE** | |
| 102-45 | Entities included in the consolidated financial statements | Annual Report 2021, p. 110 |
| 102-46 | Defining report content and topic boundaries | Corporate Responsibility framework, p. 7 |
| 102-47 | List of material topics | Corporate Responsibility framework, p. 7 |
| 102-48 | Restatements of information | Some environmental KPIs have been restated, see p. 30 |
| 102-49 | Changes in reporting | None |
| 102-50 | Reporting period | 2021 |
| 102-51 | Date of most recent report | June 2022 |
| 102-52 | Reporting cycle | Annual |
| 102-53 | Contact point for questions regarding the report | Imprint, back cover |
| 102-54 | Claims of reporting in accordance with the GRI Standards | Corporate Responsibility framework, p. 7 |
| 102-55 | GRI content index | GRI content index, p. 39 |
| 102-56 | External assurance | No external assurance has been carried out. |

# Material topics

| Disclosure | Description | Reference | Reasons for omission |
|---|---|---|---|
| | **ECONOMIC TOPICS** | | |
| | **GRI 201: Economic Performance 2016** | | |
| | GRI 103: Management Approach 2016 | | |
| 103-1 | Explanation of the material topic and its Boundary | Corporate Responsibility framework, p. 6 | |
| 103-2 | The management approach and its components | Corporate Responsibility framework, p. 6 | |
| 103-3 | Evaluation of the management approach | Corporate Responsibility framework, p. 6 | |
| 201-1 | Direct economic value generated and distributed | Annual Report 2021, p. 64 | |
| 201-3 | Defined benefit plan obligations and other retirement plans | Annual Report 2021, p. 77 | |
| | **GRI 203: Indirect Economic Impacts 2016** | | |
| | GRI 103: Management Approach 2016 | | |
| 103-1 | Explanation of the material topic and its Boundary | Community engagement, p. 25 | |
| 103-2 | The management approach and its components | Community engagement, p. 25 | |
| 103-3 | Evaluation of the management approach | Community engagement, p. 25 | |
| 203-1 | Infrastructure investments and services supported | Community engagement, p. 25 | |
| | **GRI 205: Anti-Corruption 2016** | | |
| | GRI 103: Management Approach 2016 | | |
| 103-1 | Explanation of the material topic and its Boundary | Compliance, p. 19–20 | |
| 103-2 | The management approach and its components | Compliance, p. 19–20 | |
| 103-3 | Evaluation of the management approach | Compliance, p. 19–20 | |
| 205-2 | Communication and training about anti-corruption policies and procedures | Compliance, p. 19–20 | |
| 205-3 | Confirmed incidents of corruption and actions taken | Compliance, p. 20 | |
| | **GRI 206: Anti-Competitive Behavior 2016** | | |
| | GRI 103: Management Approach 2016 | | |
| 103-1 | Explanation of the material topic and its Boundary | Compliance p. 19–20 | |
| 103-2 | The management approach and its components | Compliance p. 19–20 | |
| 103-3 | Evaluation of the management approach | Compliance p. 19–20 | |
| 206-1 | Legal actions for anti-competitive behavior, anti-trust and monopoly practices | Compliance, p. 20 | |

## ENVIRONMENTAL TOPICS

| Disclosure | Description | Reference | Reasons for omission |
|---|---|---|---|
| | **GRI 301: Materials 2016** | | |
| | GRI 103: Management Approach 2016 | | |
| 103-1 | Explanation of the material topic and its Boundary | Environment, p. 27 | |
| 103-2 | The management approach and its components | Environment, p. 27<br>Innovation and sustainability, p. 15–17 | |
| 103-3 | Evaluation of the management approach | Environment, p. 27<br>Innovation and sustainability, p. 15–17 | |
| 301-2 | Recycled input materials used | Environment, p. 28, 30<br>Customers and products, p. 12 | |
| | **GRI 302: Energy 2016** | | |
| | GRI 103: Management Approach 2016 | | |
| 103-1 | Explanation of the material topic and its Boundary | Environment, p. 27<br>Innovation and sustainability, p. 15 | |
| 103-2 | The management approach and its components | Environment, p. 27<br>Innovation and sustainability, p. 15 | |
| 103-3 | Evaluation of the management approach | Environment, p. 27<br>Innovation and sustainability, p. 15 | |
| 302-1 | Energy consumption within the organization | Environment, p. 29 | |
| 302-3 | Energy intensity | Environment, p. 28, 30 | |
| 302-4 | Reduction of energy consumption | Environment, p. 28 | |
| 302-5 | Reductions in energy requirements of products and services | Innovation and sustainability, p. 15 | |
| | **GRI 303: Water and Effluents 2018** | | |
| | GRI 103: Management Approach 2016 | | |
| 103-1 | Explanation of the material topic and its Boundary | Environment, p. 27 | |
| 103-2 | The management approach and its components | Environment, p. 27 | |
| 103-3 | Evaluation of the management approach | Environment, p. 27 | |
| 303-5 | Water consumption | Environment, p. 30 | |
| | **GRI 305: Emissions 2016** | | |
| | GRI 103: Management Approach 2016 | | |
| 103-1 | Explanation of the material topic and its Boundary | Environment, p. 27 | |
| 103-2 | The management approach and its components | Environment, p. 27 | |
| 103-3 | Evaluation of the management approach | Environment, p. 27 | |
| 305-1 | Direct (Scope 1) GHG emissions | Environment, p. 29, 30 | |
| 305-2 | Energy indirect (Scope 2) GHG emissions | Environment, p. 29, 30 | |
| 305-3 | Other indirect (Scope 3) GHG emissions | Environment, p. 29, 30 | |
| 305-4 | GHG emissions intensity | Environment, p. 30 | |
| 305-5 | Reduction of GHG emissions | Environment, p. 29, 30 | |
| 305-7 | Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions | Environment, p. 29, 30 | Only sulfur oxide emissions (acidification potential) have been identified as material for Autoneum. |
| | **GRI 306: Waste 2020** | | |
| | GRI 103: Management Approach 2016 | | |
| 103-1 | Explanation of the material topic and its Boundary | Environment, p. 27<br>Innovation and sustainability, p. 15–17 | |
| 103-2 | The management approach and its components | Environment, p. 27<br>Innovation and sustainability, p. 15 | |
| 103-3 | Evaluation of the management approach | Environment, p. 27<br>Innovation and sustainability, p. 15 | |
| 306-1 | Waste generation and significant waste-related impacts | Environment, p. 28 | |
| 306-2 | Management of significant waste-related impacts | Environment, p. 28 | |
| 306-3 | Waste generated | Environment, p. 28, 30 | |

## ENVIRONMENTAL TOPICS

| Disclosure | Description | Reference | Reasons for omission |
|---|---|---|---|
| | **GRI 307: Environmental Compliance 2016** | | |
| | GRI 103: Management Approach 2016 | | |
| 103-1 | Explanation of the material topic and its Boundary | Environment, p. 27 | |
| 103-2 | The management approach and its components | Environment, p. 27 | |
| 103-3 | Evaluation of the management approach | Environment, p. 27 | |
| 307-1 | Non-compliance with environmental laws and regulations | Environment, p. 27 | |

## SOCIAL TOPICS

| Disclosure | Description | Reference | Reasons for omission |
|---|---|---|---|
| | **GRI 403: Occupational Health and Safety 2018** | | |
| | GRI 103: Management Approach 2016 | | |
| 103-1 | Explanation of the material topic and its Boundary | Employees, p. 36 | |
| 103-2 | The management approach and its components | Employees, p. 36–38 | |
| 103-3 | Evaluation of the management approach | Employees, p. 36–38 | |
| 403-1 | Occupational health and safety management system | Employees, p. 36–37 | |
| 403-2 | Hazard identification, risk assessment and incident investigation | Employees, p. 36, 38 | |
| 403-4 | Worker participation, consultation and communication on occupational health and safety | Employees, p. 37, 38 | |
| 403-5 | Worker training on occupational health and safety | Employees, p. 36 | |
| 403-8 | Workers covered by an occupational health and safety management system | Employees, p. 36, 38 | |
| 403-9 | Work-related injuries | Employees, p. 37, 38 | |
| 403-10 | Work-related ill health | Employees, p. 37, 38 | |
| | **GRI 404: Training and Education 2016** | | |
| | GRI 103: Management Approach 2016 | | |
| 103-1 | Explanation of the material topic and its Boundary | Employees, p. 32 | |
| 103-2 | The management approach and its components | Employees, p. 32–33 | |
| 103-3 | Evaluation of the management approach | Employees, p. 32–33 | |
| 404-1 | Average hours of training per year per employee | Employees, p. 32, 33 | |
| 404-2 | Programs for upgrading employee skills and transition assistance programs | Employees, p. 33, 34 | |
| 404-3 | Percentage of employees receiving regular performance and career development reviews | Employees, p. 33 | |
| | **GRI 405: Diversity and Equal Opportunity 2016** | | |
| | GRI 103: Management Approach 2016 | | |
| 103-1 | Explanation of the material topic and its Boundary | Employees, p. 34–35 | |
| 103-2 | The management approach and its components | Employees, p. 32–35 | |
| 103-3 | Evaluation of the management approach | Employees, p. 32–35 | |
| 405-1 | Diversity of governance bodies and employees | Employees, p. 35 | |
| | **GRI 406: Non-Discrimination 2016** | | |
| | GRI 103: Management Approach 2016 | | |
| 103-1 | Explanation of the material topic and its Boundary | Employees, p. 34–35 | |
| 103-2 | The management approach and its components | Employees, p. 32–35 | |
| 103-3 | Evaluation of the management approach | Employees, p. 32–35 | |
| 406-1 | Incidents of discrimination and corrective actions taken | Employees, p. 35 / Compliance, p. 20 | |
| | **GRI 412: Human Rights Assessment 2016** | | |
| | GRI 103: Management Approach 2016 | | |
| 103-1 | Explanation of the material topic and its Boundary | Compliance, p. 19–20 | |
| 103-2 | The management approach and its components | Compliance, p. 19–20 | |
| 103-3 | Evaluation of the management approach | Compliance, p. 19–20 | |
| 412-2 | Employee training on human rights policies or procedures | Compliance, p. 19–20 | |

| | | |
|---|---|---|
| | **GRI 413: Local Communities 2016** | |
| | GRI 103: Management Approach 2016 | |
| 103-1 | Explanation of the material topic and its Boundary | Community engagement, p. 25 |
| 103-2 | The management approach and its components | Community engagement, p. 25 |
| 103-3 | Evaluation of the management approach | Community engagement, p. 25 |
| 413-1 | Local community engagement, impact assessments and development programs | Community engagement, p. 25 |

| | | |
|---|---|---|
| | **GRI 416: Customer Health and Safety 2016** | |
| | GRI 103: Management Approach 2016 | |
| 103-1 | Explanation of the material topic and its Boundary | Innovation and sustainability, p. 15–17 / Supply chain, p. 22–23 |
| 103-2 | The management approach and its components | Innovation and sustainability, p. 15–17 / Supply chain, p. 22–23 |
| 103-3 | Evaluation of the management approach | Innovation and sustainability, p. 15–17 / Supply chain, p. 22–23 |
| 416-1 | Assessment of the health and safety impacts of product and service categories | Supply chain, p. 22–23 |
| 416-2 | Incidents of non-compliance concerning the health and safety impacts of products and services | Supply chain, p. 23 |

| | | |
|---|---|---|
| | **GRI 419: Socioeconomic Compliance 2016** | |
| | GRI 103: Management Approach 2016 | |
| 103-1 | Explanation of the material topic and its Boundary | Compliance, p. 19 |
| 103-2 | The management approach and its components | Compliance, p. 19–20 |
| 103-3 | Evaluation of the management approach | Compliance, p. 19–20 |
| 419-1 | Non-compliance with laws and regulations in the social and economic area | Compliance, p. 20 |

**Autoneum Management AG**
Schlosstalstrasse 43
8406 Winterthur
Switzerland
T +41 52 244 82 82

**www.autoneum.com**

Contact:
corporate.responsibility@autoneum.com