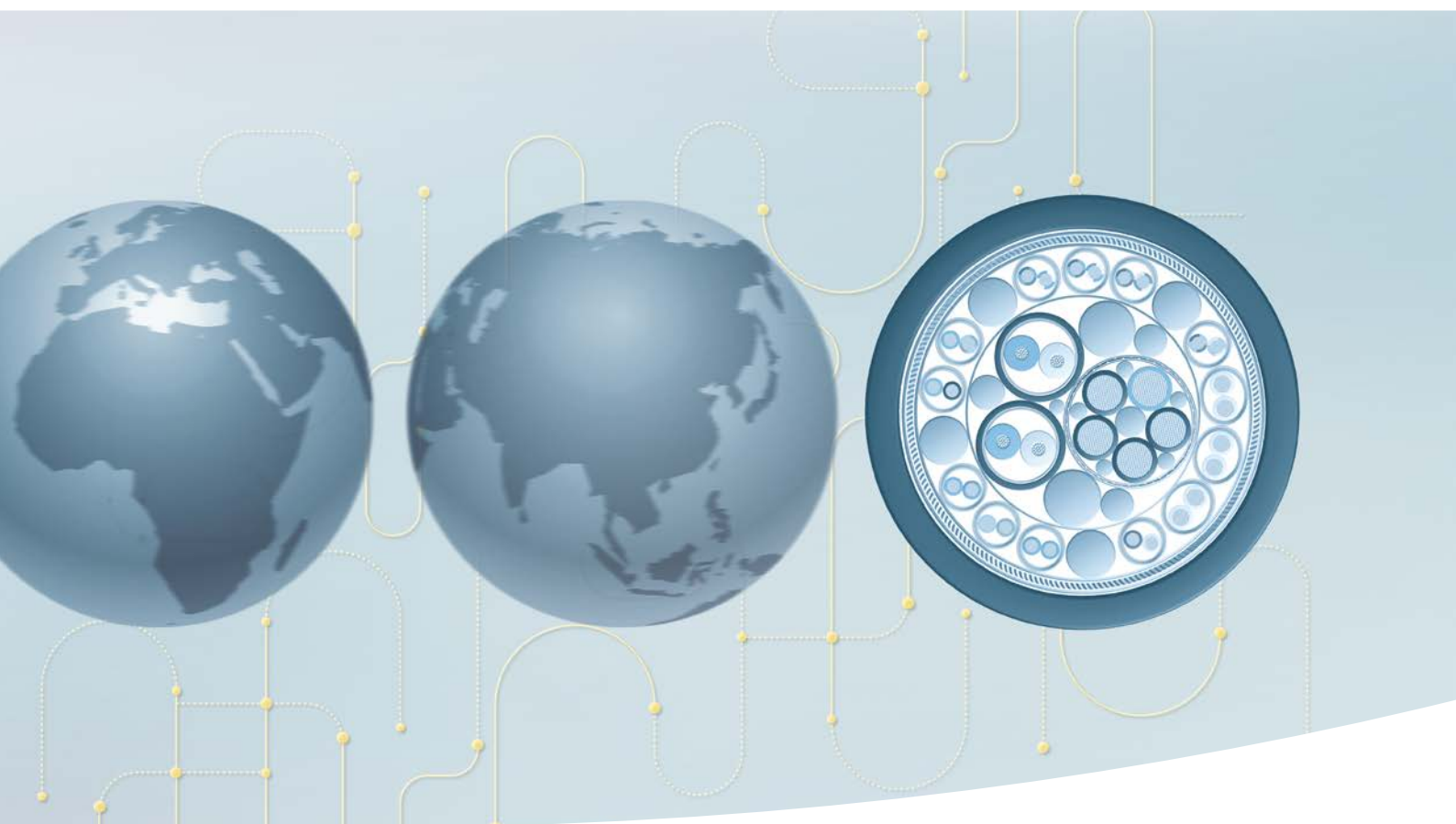


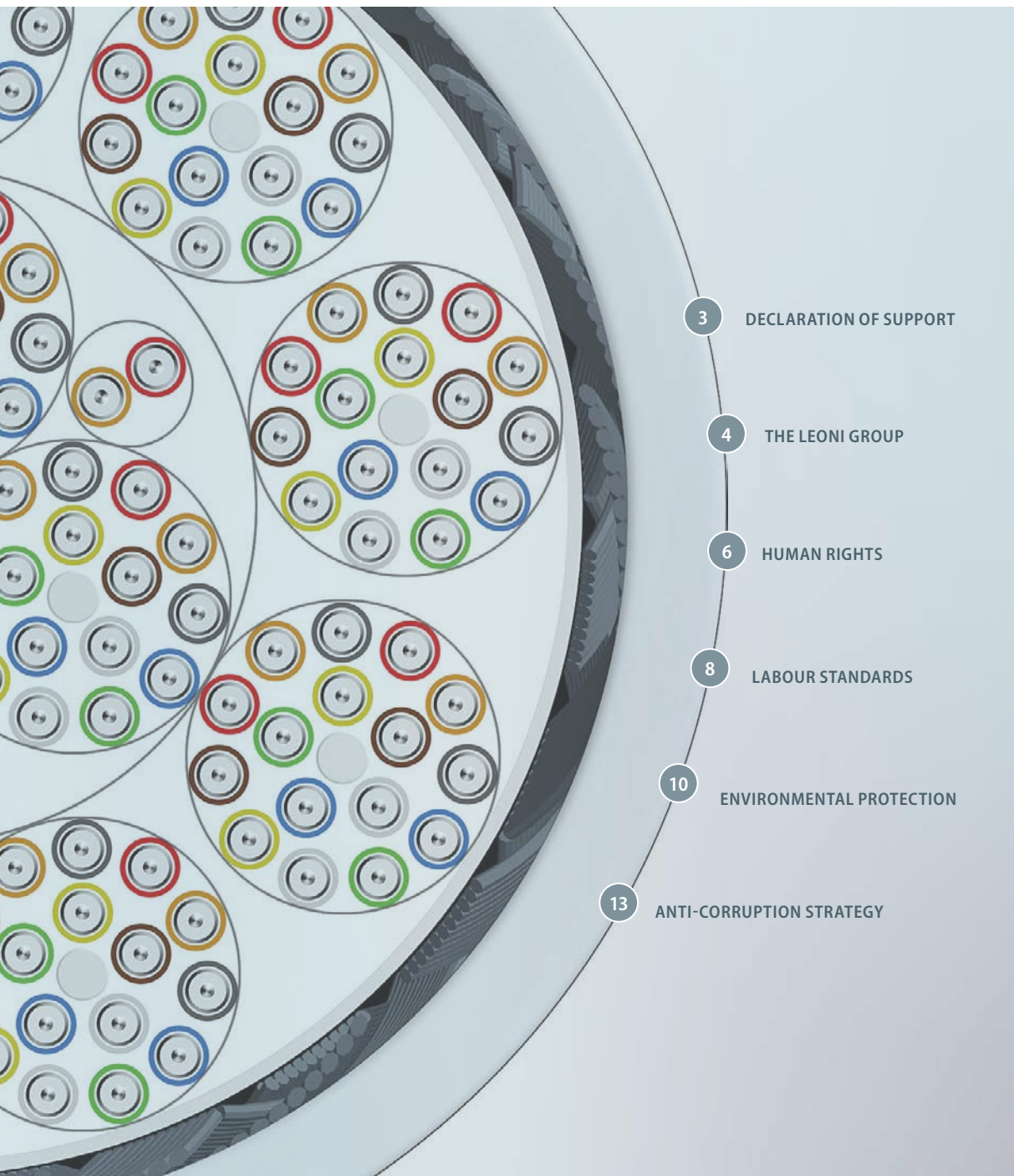
United Nations Global Compact

Progress report 2016



The Quality Connection

LEONI



Declaration of support



As a globally active company, LEONI has made it its mission to ensure the observance of human rights and compliance with recognised labour standards at our 79 subsidiaries in 32 countries. This form of responsibility was already taken on in 2003 with the publication of the LEONI Social Charter, continued in 2007 with the LEONI Code of Ethics and taken further forward in 2011 by joining the UN Global Compact.

The obligation under the German Corporate Governance Code, the LEONI Social Charter and the LEONI Code of Ethics constitutes a solid basis for all of LEONI's activities and its commitment to fulfilling the ten principles of the UN Global Compact.

For LEONI, sustainability is a high-priority subject. It implies both a long-term business outlook as well as the integration of ecological and social aspects into our management organisation. In this way, we contribute both to safeguarding our Company's future and towards the sustainable growth of business and society. This is why we have participated in the Carbon Disclosure Project since 2007 and have certified our main production facilities to the ISO 14001 environmental standard. It is also why we launched our Green Technology Initiative in 2009, which is helping progress towards being the leading cable manufacturer for environmentally friendly technologies.

Prevention of corruption is managed as a key compliance field in our Compliance Management System. With this approach, LEONI ensures that its anti-corruption conduct is in accordance with the principles of the UN Global Compact.

The present LEONI Global Compact Communication on Progress documents the key steps we made in 2015 towards upholding the ten principles of the UN Global Compact, and details our measures and results.

LEONI is committed to the ongoing support of the ten principles of the UN Global Compact and to continuous improvement in applying these principles.

Nuremberg, June 2016

LEONI AG
The Management Board



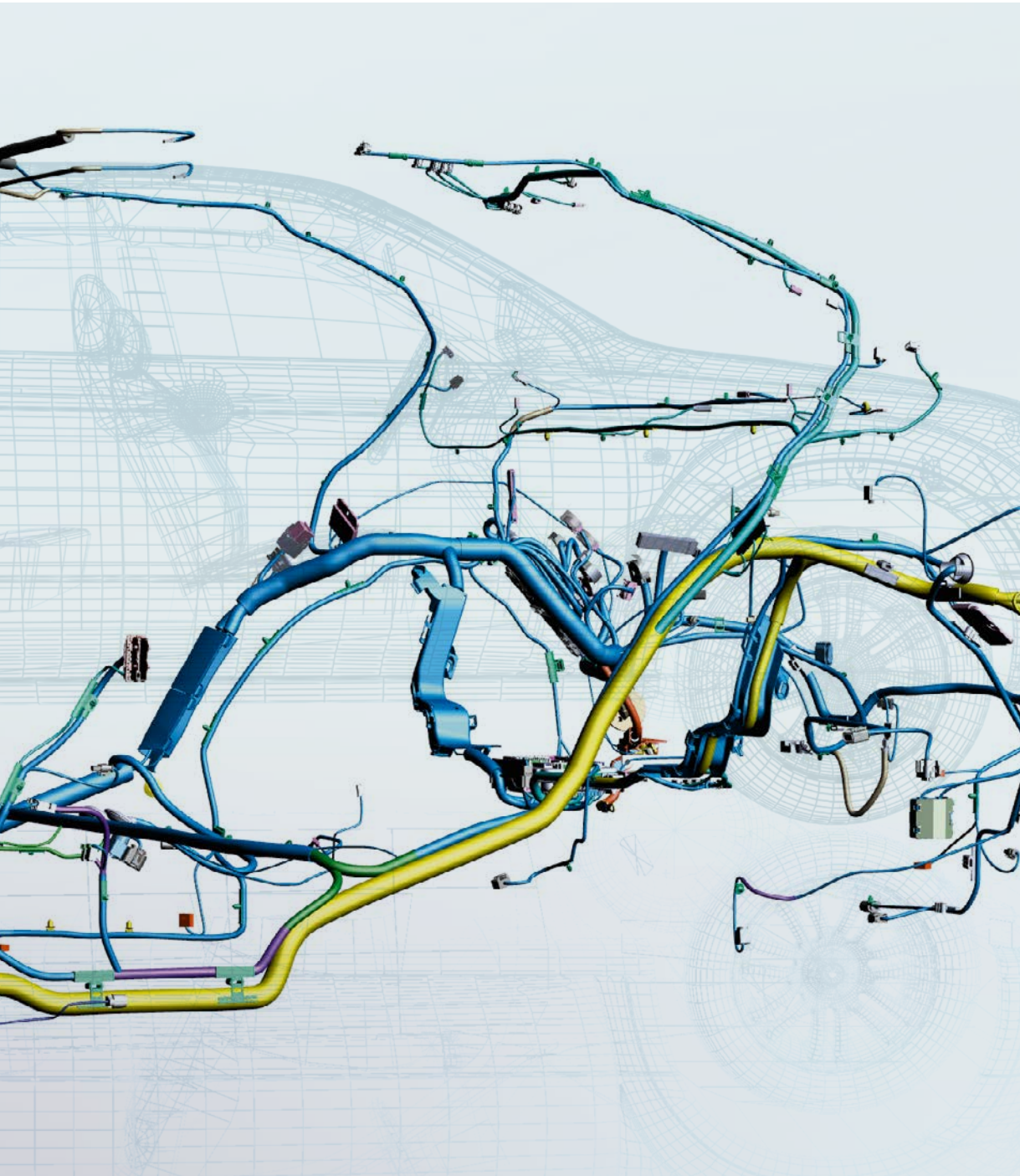
Dieter Bellé



Bruno Fankhauser



Dr Frank Hiller



The LEONI Group

Leading cable systems manufacturer with a global presence

LEONI is a global supplier of wires, optical fibers, cables and cable systems as well as a provider of related services to the automotive sector and other industries. The group of companies, which is listed on the German MDAX, employs about 74,000 people in 32 countries and generated consolidated sales of € 4.5 billion in 2015.

Established nearly 100 years ago, the company has now become one of the world's largest and most successful cable manufacturers. In addition to tailor-made cable solutions, the Group can increasingly offer its customers complete systems with perfectly coordinated components – from the cable itself to all of the connectors and fixings required. The continued growth of the company as a provider of development work and a tier one supplier is a significant trend here.

Experience and presence in the markets of the future

LEONI focuses its business on the core markets of Automotive & Commercial Vehicles, Industry & Healthcare, Communication & Infrastructure, Electrical Appliances and Wires & Strands. Its customers include well-known names such as ABB, BMW, Bosch, Continental, Deutsche Telekom, EADS, Ericsson, Fiat, GM, Hyundai, IBM, Jaguar/Land Rover, Johnson Controls, MAN, Mercedes-Benz, Meyer Werft, Philips, PSA Peugeot Citroën, Renault/Nissan, Shell, Siemens, Solarworld, Volvo and VW. The company already leads the global market as a supplier of single-core automotive cables, while in the wiring systems market it occupies first place in Europe and fourth place in the world. In addition, LEONI is one of the leading manufacturers within Europe in all of its other business areas.

Geared to global trends

The company intends to benefit more from global trends in the future. These present Group companies with major challenges, as they frequently entail greater consumption of resources and environmental pollution. At the same time, however, they offer major opportunities. LEONI is therefore preparing itself, its products and services for the expected changes in demography, ecology, mobility, globalisation, industrialisation and urbanisation.

Tradition and progress since the 16th century

A small wire factory in Franconia, Bavaria, laid the foundation for today's global player LEONI back in 1569. It was at this time that Frenchman Anthoni Fournier and a handful of staff in Nuremberg began to produce the finest gold and silver threads, known as Lyonese wares, for precious embroidered textiles. His sons opened additional workshops in the region. Leonische Werke Roth-Nürnberg AG emerged from these beginnings in 1917. Today, LEONI still upholds the ability to change, and maintains the keen sense for trends in the market and customer requirements that have always been among the key characteristics of the company, which was renamed LEONI AG in 1999. At the same time, long-standing values serve as a guide for acting in a predictable and responsible manner.

» Further information is available from the LEONI website at www.leoni.com

Human rights

PRINCIPLE 1: Businesses should support and respect the protection of international human rights within their sphere of influence; and

PRINCIPLE 2: Should make sure that they are not complicit in human rights abuses.

LEONI supports and respects the protection of internationally recognised human rights within its sphere of influence, and ensures that the Group is not complicit in human rights abuses.

LEONI Social Charter and LEONI Code of Ethics

LEONI AG was one of the first companies anywhere in the world to draft a Social Charter, back in April 2003. This Charter applies directly to all LEONI Group companies worldwide. Ensuring employee and human rights as well as assuming social responsibility have always been integral elements of our corporate policy. LEONI's European Works Council and the International Metalworkers' Federation (IMF) are co-signatories to this Charter.

In the LEONI Social Charter, the Group commits to respecting internationally recognised human rights and supporting their observance. We also encourage our business partners to respect this declaration in their own corporate policies. We regard this as a beneficial basis for reciprocal business relationships.

In March 2007, LEONI also introduced its own Code of Ethics. This Code of Ethics is binding on all employees of the LEONI Group worldwide and has been made accessible to every member of staff.

The Code of Ethics describes in unequivocal terms the values and conditions required to conduct oneself with responsibility and integrity that LEONI has always used as its guide. The crux of the matter is that it is essential for LEONI employees to act in compliance with the internal regulations and the statutory regulations of the legal system that applies in each case. When joining LEONI, all new employees must confirm that they will comply with the LEONI Code of Ethics by means of a relevant paragraph in their employment contract.

» The LEONI Social Charter and the LEONI Code of Ethics are published on the LEONI website. www.leoni.com

Courses on compliance with the LEONI Code of Ethics

Training courses for the LEONI Code of Ethics have been running since 2011 on a globally available training platform in 15 different languages. Approximately 14,500 employees with an email account were trained in this way in 2015. With these courses, LEONI can ensure that the employees trained on them are aware of the particular importance of protecting international human rights and can act accordingly. Additional clauses in all T&Cs further obligate all of LEONI's suppliers to observe the protection of human rights.

Health and safety at work

Acting sustainably ensures our company's future. Specific principles for action are embedded in our health and safety policy to ensure the health and security of everyone who works for or with LEONI. These include safeguarding our employees from injury or illness by preventive detection of risks and effectively averting any threats. Acting in a safety-conscious manner is part of every employee's job. Compliance with all legal obligations on safety at work and other requirements is the basis for our activities and the applicable national standards are minimum requirements in this respect. LEONI undertakes to observe all pertinent laws and directives on safety at work as well as internal rules of conduct.

LEONI POLICIES AND SYSTEMS

- The obligation to uphold internationally recognised human rights is laid down in the LEONI Code of Ethics and the LEONI Social Charter.
- The e-learning module on topics related to the LEONI Code of Ethics contributes to raising awareness about human rights among management and staff.
- Embedded in our guidelines for occupational safety and health are principles for action that ensure the health and safety of everyone who works for or with LEONI.

RESULTS AND KEY FIGURES

- Every LEONI employee is, upon being recruited, handed or given access to the LEONI Code of Ethics.
- Around 14,500 employees and managers worldwide have completed an e-learning course on "Compliance Basics and the LEONI Code of Ethics".

Labour standards

PRINCIPLE 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining, in addition to upholding

PRINCIPLE 4: the elimination of all forms of forced labour,

PRINCIPLE 5: the abolition of child labour and

PRINCIPLE 6: the elimination of discrimination with respect to hiring and employment.

LEONI has undertaken to make a global commitment to providing a working environment for all its employees that is free of discrimination in terms of both hiring and employment, and in which there is freedom of association. The right to collective bargaining is unreservedly recognised. LEONI strictly rejects child labour and all forms of forced labour. These principles are codified in the LEONI Social Charter.

Measures

Part of the annual Control Self Assessment of managers pertaining to LEONI's Social Charter involves confirming that all employees at all of the Group companies are of at least the minimum age under local law and are at least 15 years old. The Control Self Assessment also proves that there is no discrimination when employing new staff or in terms of the employment conditions.

Furthermore, breaches of these principles require Human Resource Reporting and can also be reported directly to our Chief Compliance Officer via our internal compliance process. In addition, the Internal Audit department checks this on a random basis as a separate control point within our Internal Control System (ICS). We received no reports of any breaches of this kind in 2015.

Supply chain management

In order to apply the principles of the UN Global Compact in everyday work, it is of great importance to LEONI that social responsibility is also taken into account in the context of supply relationships. This applies not only within LEONI, but also to suppliers' operations and to the Company in general. Since 2006, our Wiring Systems Division has therefore been using a supplier self-audit to screen potential suppliers in the selection process in accordance with the principles of the UN Global Compact. The supplier will receive approval to supply only if either the LEONI Social Charter and the Code of Ethics or the principles of the UN Global Compact are accepted.

In addition to our Social Charter, which suppliers were already required to accept in the past as part of our General Terms and Conditions, the principles of the UN Global Compact have also been included as part of our T&Cs. Here we draw express attention to the fact that LEONI is entitled to terminate the supply relationship without notice in the event of any serious or repeated breach of the principles as detailed in the T&Cs.

Diversity

Due to our Group's worldwide operations, our workforce includes people from many nations, cultures and ways of life. With facilities in Egypt, Brazil, China, India, Mexico, Romania, Russia and the USA, among other places, virtually all of the world's religions, including Christianity, Islam, Hinduism and Buddhism, are represented.

To promote acceptance of this diversity, LEONI regularly provides training on the German General Equal Treatment Act (AGG).

Corporate Social Responsibility

LEONI is involved in donations and sponsorship for various social projects, where we prioritise sustainability and a regional approach. In 2015, we made donations to children's aid organisations, sports associations, crèches and orphanages, as well as to many other charitable organisations and projects. The largest individual donation, amounting to € 44,000, went to the Mubarak-Kohl Initiative in Egypt.

LEONI POLICIES AND SYSTEMS

- LEONI provides training on the German General Equal Treatment Act (AGG) to ensure a working environment that is free of discrimination.
- The right of association as well as equal opportunity and equal treatment are assured in LEONI's Social Charter.
- By its participation in the Diversity Charter, LEONI ensures diversity and mutual respect.
- In the selection of suppliers, a Control Self Assessment ensures that suppliers accept the principles of the UN Global Compact or alternatively the LEONI Social Charter and the LEONI Code of Ethics.
- Our principles on observing labour standards are also embedded in our T&Cs.

RESULTS AND KEY FIGURES

- Approximately 14,500 employees and managers have completed the "Compliance Basics and LEONI Code of Ethics" e-learning module and were instructed in the principles of the LEONI Social Charter that relate to labour standards.
- As at the end of 2015, the proportion of women in our entire workforce around the world had fallen slightly to 52 %. In contrast, however, the proportion of female employees in management positions in 2015 had risen once again slightly to 29 %. This figure is based on all women who have supervisory responsibility for at least one employee.

Environmental protection

PRINCIPLE 7: Businesses should support a precautionary approach to environmental challenges,

PRINCIPLE 8: should undertake initiatives to promote greater environmental responsibility, and

PRINCIPLE 9: should encourage the development and propagation of ecologically sound technologies.

LEONI supports protection of the environment with a precautionary approach and has several ongoing initiatives to promote greater awareness of responsibility for the environment. We therefore encourage the development and propagation of ecologically sound technologies. LEONI regards environmental protection as a primary corporate objective. Our environmental management is geared to keeping the impact of all our processes on nature to the absolute minimum. The principles of our environmental policy also play a role in the selection of our suppliers.

Initiatives

GREEN TECHNOLOGY At LEONI, the concept of "Green Technology" covers all products, system solutions and services that help our business to use energy more efficiently and conserve resources, thereby reducing emissions and environmental pollution. LEONI already serves all the key environmental technology markets

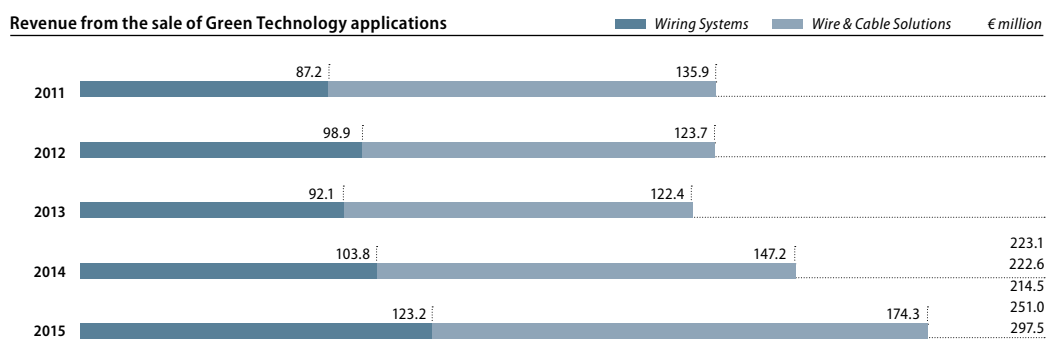
as defined by the German Federal Ministry for the Environment, Nature Conservation, Building and Nuclear Safety (BMUB) and is very well positioned in many of these sectors. The following table summarises the fields of application for Green Technology:

Market segment	Examples of applications for LEONI products
Environmentally-friendly power generation and storage	<ul style="list-style-type: none"> Solar energy (e.g. photovoltaic systems and solar thermal energy plants) Bioenergy (e.g. biogas and biomass plants) Hydropower (e.g. tidal and pumped-storage power plants)
Energy efficiency	<ul style="list-style-type: none"> Measurement and control technology to reduce energy consumption Energy-efficient automation and drive technology
Raw materials and materials efficiency	<ul style="list-style-type: none"> Measurement and control technology to reduce the reject rate Lightweight materials and components
Closed-loop economy	<ul style="list-style-type: none"> Waste separation and disposal plants Recycling (plastics recycling plants)
Sustainable water management	<ul style="list-style-type: none"> Water treatment, distribution, supply and purification plants Household appliances with high water consumption efficiency
Sustainable mobility	<ul style="list-style-type: none"> Vehicles with hybrid, electric and fuel cell drive systems Charging cables and infrastructure Rail engineering

Core markets

In 2015, LEONI further extended its product portfolio for Green Technology. Details of the latest developments can be found in our Research & Development section. In the past financial year, our Group-wide sales of products and solutions for Green Technology grew by 18.5 percent to € 297.5 million (previous year: € 251.0 million).

» 2015 Annual Report
Research & Development
Page 99 f.



We also assess our manufacturing processes with regard to green technology: In 2015, our Group-wide sales of products that are manufactured in environmentally certified facilities or using energy-efficient plant and machinery increased from € 3,143.7 million to € 3,390.8. This figure reflects a contribution of € 1,174.9 million from the Wire & Cable Solutions Division (previous year: € 1,128.5 million) and € 2,215.9 million from the Wiring Systems Division (previous year: € 2,015.2 million).

CARBON DISCLOSURE PROJECT In 2015, LEONI once again participated in the Carbon Disclosure Project, which utilises a standardised set of questionnaires to collect data and information about CO₂ emissions, climate risks and reduction targets/strategies from companies on behalf of institutional investors. In 2015, we standardised the calculation methods used, and made significant improvements to data quality and availability. This enabled LEONI to make considerable progress in terms of disclosure scoring.

Conserving natural resources

LEONI endeavours to reduce energy consumption – and thereby CO₂ emissions – throughout the Group. Both Divisions run environmental management systems and multifaceted environmental protection activities, which are adapted to the respective requirements of their activities.

As a result of our at times energy-intensive manufacturing – especially in the Wire & Cable Solutions segment – the focus of our environmental protection activities lies squarely on improving energy efficiency. In 2015, our work here involved the setting of the environmental target “Efficient Lighting”, which required all of our major sites to assess their lighting inventory by means of a checklist. Feedback from this survey was used to create measures for improving the lighting situation. Some plants already implemented the corresponding improvements in the reporting year; the others will follow in 2016.

In addition, our sites also review and implement other measures to improve efficiency on an ongoing basis. In 2015, for example, the wire manufacturing plant in Weißenburg (Germany) converted the compressed air generation plant and expanded it with new functions such as a waste heat recovery system. The implementation of these measures will result in energy savings of 700,000 kWh per year. At our Slovakian WCS site in Trenčianska Teplá, we invested in a new steam generation plant, designing this to meet our needs while simultaneously reducing heat losses in the overall system. This reduces gas consumption by around 60 % while keeping production capacity utilisation at the same level.

Following the successful initial certification of another German site to ISO 50001, four WCS companies now satisfy the international standard for Energy Management systems as of 31 December 2015.

In the Wiring Systems Division, the topic of efficient lighting also played an important role in the reporting year: the Division revised its “Energy Management” standard with the aim of boosting the utilisation of LED technology. In addition, a total of five sites achieved initial certification in ISO 14001 in 2015, and work was started on the implementation of an energy efficiency audit.

Direct and indirect CO₂ emissions across the Group

In 2015, approximately 48 tonnes of CO₂ were emitted for every € 1 million of revenue.

Energy consumption

In 2015, approximately 119 Mwh of energy were consumed for every € 1 million of revenue.

Recycling

As a member of the “Our Cars” initiative, LEONI participates in recycling projects such as the EU Directive on End-of-Life Vehicles. Thanks to our use of copper (a 100 % recyclable material) as the main element in our products, LEONI has an ideal starting position in terms of recycling.

LEONI POLICIES AND SYSTEMS

- For our Environment Management system, we are certifying plants to the ISO 14001 standard. Environmental policy has been harmonised between the two divisions since 2013.

RESULTS AND KEY FIGURES

- In 2015, our Group-wide sales of products that are manufactured in environmentally certified facilities or using energy-efficient plant and machinery increased from € 3,143.7 million to € 3,390.8 million.
- Within our two divisions (WSD and WCS), a total of 56 organisational units had been certified in accordance with the Environmental Management standard ISO 14001 by the end of 2015.

In each of these units, internal system audits are conducted according to ISO 14001. In addition, the central services departments of both divisions perform further internal audits of a sample of randomly selected units.

Anti-corruption strategy

PRINCIPLE 10: Businesses should work against corruption in all its forms, including extortion and bribery.

Compliance 2.0

To further underline the importance of compliance and thereby our anti-corruption strategy, the LEONI AG Management Board in 2015 initiated a revision of the compliance program that has now been in place for several years. During this revision, the Board decided to restructure the Compliance Management System and enhance it ("Compliance 2.0").

This newly-restructured Compliance Management System at LEONI is now divided into three sections: "Prevent", "Detect" and "Respond".

PREVENT Measures for avoiding violations of the law include in particular our specific policies, regulations and processes; conducting specially designed e-learning and classroom training; and providing the business areas with advice on technical compliance.

DETECT To enable early detection of Compliance risks or potential violations, Management Self Assessments and Compliance Reviews will be conducted on a regular basis. A comprehensive process for reviewing certain business partners (business partner due diligence) has also been implemented as a further key component of this early warning system.

RESPOND Evidence of misconduct is first evaluated by a specialized body before then being clarified by means of internal or external investigation if necessary. Responses to Compliance violations also include the rigorous sanctioning of such misconduct, as well as improving processes to guarantee that future conduct complies with regulations.

Strengthening our anti-corruption activities

To improve the efficiency of our Compliance activities, initial work in the "Compliance 2.0" programme will be concentrating on the key risk areas that have already been identified. This will be especially helpful for our work in antitrust legislation, tax compliance, data protection and – above all – corruption prevention. Starting with an updated set of risk assessments, a risk-oriented and comprehensive approach will be taken to drafting and implementing preventive measures, particularly subject-related consultation and training.

The company also plans to expand staff levels and expertise in global and regional Compliance. Dedicated Compliance Officers will be deployed in the EMEA, Asia and Americas regions: these will work with current and future Compliance managers to ensure greater effectiveness in the implementation of Compliance actions and rules and will bear special responsibility for the regional roll-out of the global Compliance framework. Also particularly relevant here is LEONI's clear position on corruption (zero-tolerance policy), which is unmistakably reflected by the LEONI Code of Ethics which was first published in 2007.

To further support our anti-corruption efforts, the Group Anti-Corruption Policy was published in 2015, along with a set of implementation guidelines. A policy was also introduced, along with a detailed audit process, for the especially high-risk group “Business Partners”, which includes commercial agents, intermediary companies and agencies.

Employee training

For several years, LEONI has been providing e-learning on subjects such as corruption prevention to all of the approximately 150 managers in the senior management tier and for other relevant employee groups (e.g. Purchasing, Sales) in eight languages. Approximately 5,700 LEONI employees have so far been trained in this way.

Classroom-style teaching and online training was organised to introduce the new policies on anti-corruption topics. Short training films are also available online for all of our employees: these videos offer an engaging introduction to policy rules and their application.

LEONI POLICIES AND SYSTEMS

- Development of the CMS: Compliance 2.0
- Publication of the Anti-Corruption Policy and guidance for its implementation
- Policy and process for Business Partner Due Diligence
- Policy and process for submitting evidence of possible breaches of the above-mentioned policies and legislation

RESULTS AND KEY FIGURES

- Our anti-corruption guidelines, the LEONI Code of Ethics, have been made available to all managers and employees worldwide and have also been translated into 20 languages.
- Approximately 5,700 employees and all 150 managers have already completed the Anti-Corruption e-learning module.

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