

SUSTAINABILITY REPORT 2020

UN Global Compact
Communication on Progress

LEONI



ABOUT THIS REPORT

This LEONI Sustainability Report is also our LEONI Global Compact Communication on Progress and therefore documents our key activities in support of the ten principles of the UN Global Compact during the period under review, providing a summary of the various measures and outcomes.

An [Index](#) at the end of this document provides references to the relevant text passages that report on our progress in implementing the guiding principles. Chapters that provide information about the UN Sustainable Development Goals (SDGs) are marked with the relevant UN symbols. Supplementing this detailed Sustainability Report, LEONI has submitted a Non-Financial Statement in accordance with paragraph 315b of the German Commercial Code (HGB) to meet the statutory requirements for CSR reporting. This Statement is included as part of the Combined management report in the [» Annual Report 2020](#), which can be accessed from our website.

Our Sustainability Report is published only in a digital format. The full report is available as a PDF document. The Sustainability Report is published in German and English.


In this screen-optimised version, you can move through the document by using the arrow symbols in the navigation pane.

Indexes in the text:

- › internal index (within the document)
- » external index (to a website or another document)

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COMMUNICATION
ON PROGRESS

This is our **Communication on Progress** in implementing the Ten Principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.



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FOREWORD

The 2020 financial year was an extraordinary year in which LEONI also faced a number of novel challenges. The Covid-19 pandemic impacted virtually every aspect of our business, and forced us to rethink and reshape extensively in many different areas.

As always, the health of our employees has been our most important concern throughout this crisis. With our comprehensive hygiene plans and options for working from home, we offer our employees optimum protection to see us safely through the Covid-19 pandemic together.

The first half of 2020 was marked by local lockdowns, temporary production stoppages, plant closures and short-time working. Towards the middle of the year, a reversal was seen in the trends for customer demand and production: as a result, Group sales for 2020 as a whole were around 15% lower year-on-year at € 4.1 billion. Thanks to the gradual recovery of our business performance in the second half of the year, earnings and free cash flow also improved step by step.

Despite this extremely difficult environment, we also made significant progress in 2020 in many other areas.

FOREWORD

Excellent progress was also made in implementing our strategy and performance programme VALUE 21. The measures for cost-cutting and improving efficiency in this programme had been largely implemented by the end of the third quarter of 2020, and therefore earlier than planned. A rolling follow-up process is now in place, while new measures will also be introduced on a continuous basis to further improve performance and efficiency.

LEONI's strategic realignment also advanced further during the 2020 financial year. The WCS (Wire & Cable Solutions Division) has been split into organisational units that will be sold in the context of a partial sale scenario. Within WSD (Wiring Systems Division), which will be a particular point of focus for LEONI in the future, new projects were selected by prioritising strategic customer relationships – and profitability criteria in particular – so as to increase long-term earning capacity. In addition, during the reporting year we prepared an organisational realignment with

efficient, functional structures. The fact that we are Europe's leading supplier in the wiring systems sector significantly improves our opportunities in the field of electromobility and autonomous driving.

We have implemented our planned integration of sustainability management with Corporate Ethics, Risk & Compliance, and initial measures to improve efficiency are now bearing fruit.

In 2020, we firmly believe that LEONI has adopted the right approach to stabilising business development over the long term. The aim is to further improve operational performance, to place ourselves on a sound financial footing for the long term and to get the company solidly back on track.

Despite the difficult market conditions, we continue to pursue our measures to ensure sustainable corporate governance. As a UN Global Compact participant, this also means driving continuous improvement with regard to the UN Global Compact Ten Principles and the UN Global Compact's Sustainable Development Goals. In doing so, we aim to ensure an appropriate balance between economic orientation and our social and ecological responsibility.

This Communication on Progress provides a traditional review of the 2020 financial year as well as a brief overview of our forthcoming pipeline of sustainability activities.

Nuremberg, July 2021

LEONI AG

Board of Directors



Aldo Kamper
Chief Executive Officer (CEO)



Ingrid Jägering
Chief Financial Officer (CFO)



THE LEONI GROUP

LEONI is a global provider of products and solutions for energy and data management in the automotive sector and other industries.

The value chain encompasses wires, optical fibers, standardised cables and special cables through to custom-developed wiring systems and related components as well as services.

As an innovation partner and solutions provider, LEONI supports its customers with pronounced development and systems expertise.

As of 31 December 2020, our listed LEONI Group employed around 101,000 people in 30 countries and generated Group sales of € 4.1 billion in 2020.

LEONI's business is handled by two company divisions (segments).

THE LEONI GROUP

The **WIRING SYSTEMS DIVISION (WSD)** is one of the world's leading providers of complete wiring systems and customer-specific cable harnesses for the automotive industry. This Division's range of products and services includes developing and producing sophisticated cable harnesses and integrated wiring systems, high-voltage (HV) wiring systems for hybrid and electric vehicles, power distribution components and special connectors.

As a systems provider, we cover the entire spectrum from conceptual design through to volume production as well as supplementary services. We are also increasingly positioning ourselves as a solutions provider for in-vehicle data and energy management, so as to supply our customers with innovative products and services for the automotive megatrends of electromobility, connectivity and autonomous driving. In order to expand our position as a systems provider, we are also strengthening our expertise in the areas of electronics and software.

The **WIRE & CABLE SOLUTIONS DIVISION (WCS)** is a leading manufacturer of wire and cable systems. The Division's portfolio comprises wires, strands and optical fibers, standardised lines, special cables and fully assembled systems as well as related services for customers in a wide range of industries and industry sectors, including automotive, capital goods, medical devices, telecommunications, energy and infrastructure. WCS is already focusing on technologically sophisticated products and customer-specific applications for both the automotive sector as well as industrial niche markets.

The two divisions are structured differently and are active in different market environments. To ensure they can fully realise their potential, they will follow separate development paths in the future. Accordingly, LEONI will focus primarily on the wiring systems business and plans to divest itself of the WCS Division.

LEONI GROUP AND DIVISIONS 2020

LEONI	
Sales: € 4.1 billion; Employees: approx. 101,000	
WIRING SYSTEMS Sales: € 2.5 billion; Employees: approx. 92,600	WIRE & CABLE SOLUTIONS Sales: € 1.6 billion; Employees: approx. 8,100

For detailed information about the structure, strategy and competitive situation of the LEONI Group and its two divisions, please refer to the » **Annual Report 2020**.

SUSTAINABILITY AT LEONI

ORGANISATION AND MANAGEMENT



Sustainability management

LEONI introduced a Group-wide Sustainability Management unit in 2016: this unit is responsible for the strategic further development of all of the LEONI Group's sustainability activities, as well as for uniform, Group-wide reporting. Our 2030 CSR Strategy has been in effect since 2019. The programme provides a strategic framework for the comprehensive, structured and systematic further development of key non-financial topics at LEONI. In light of the dynamic nature of sustainability management as a discipline, legislative developments and the growing requirements of our stakeholders, we will conduct a fundamental review of our sustainability strategy and our activities in 2021 as part of a strategy and implementation project and make any necessary adjustments. One particular focus here is an updated climate strategy.

Last year, we were able to continue with our primary sustainability management activities despite the pressures from the Covid-19 pandemic.

In the reporting year, the Corporate Sustainability remit was absorbed into the new Corporate Ethics, Risk & Compliance department as a Sustainability Management system, as part of the VALUE 21 programme. This enables us to better integrate risk and opportunity management with compliance and sustainability issues, as well as integrated reporting.

ORGANISATION OF SUSTAINABLE MANAGEMENT IN THE LEONI GROUP

STRATEGIC ORGANISATION

Sustainability Steering Committee

Members:	Board of Directors and divisional senior management
Tasks:	Strategic orientation and decisions on long-term sustainability issues

Sustainability Panel

Chairperson:	Head of Corporate Ethics, Risk & Compliance (until November 2020: VP Corporate Sustainability)
Members:	Heads of Ethics, Risk & Compliance, HR, Communication Management and Safety, Health & Environment
Tasks:	Prioritisation of sustainability issues and support for the strategic decision-making process and sustainability reporting

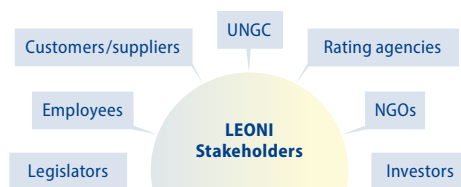
OPERATIONAL ORGANISATION

Sustainability Working Groups

Members:	Specialists from various departments
Tasks:	Implementation of projects and processes to achieve sustainability goals

SUSTAINABILITY AT LEONI

LEONI STAKEHOLDERS



Stakeholders and key aspects

LEONI's global activities impact on various external and internal stakeholder groups. In particular, these include our customers, employees, investors, suppliers and other business partners, as well as legislators and authorities in the countries in which we operate. The needs of these groups are accounted for by our sustainability strategy and form part of decision-making about the materiality of individual aspects (materiality analysis).

Based on the requirements of the German Sustainability Code and the GRI standard, aspects of material importance to LEONI's business are reviewed annually and new topics are also defined as necessary. Key elements of this review included a benchmark analysis, talks with internal and external stakeholders, and

an evaluation of sustainability questionnaires completed by our customers. The review process was also guided by the ten principles of the UN Global Compact as well as the United Nations Sustainable Development Goals, with the aim of prioritising their relevance and impact on our business activities (materiality analysis). Two perspectives are taken into account here:

- Relevance of aspects for LEONI
- Relevance of aspects for external stakeholders

In the 2020 reporting year, the review of our materiality analysis did not produce any new, significant results. The matrix below illustrates the results of our materiality analysis.

MATERIALITY ANALYSIS 2020



SUSTAINABILITY AT LEONI

Sustainability strategy

As a global provider of products, solutions and services for energy and data management to the automotive sector and other industries, sustainability is an especially important concept for LEONI. We interpret this concept to mean long-term, profitable business development (economic component) on the one hand, and a commitment to honouring our social and ecological responsibilities on the other. Our aim is to reconcile the various requirements that arise in these three separate domains. In adopting this approach, we seek to ensure stability, secure the future of our company, and contribute to the sustainable development of the economy and of society at large. This present report is also oriented on these three pillars of our sustainability strategy.

THE THREE PILLARS OF SUSTAINABILITY AT LEONI

ECONOMIC RESPONSIBILITY

We have set ourselves the goal of ensuring our long-term market success, and thereby creating value for our shareholders and stakeholders. Our dedication and our adherence to stringent compliance standards enable us to maximise benefits for our customers by achieving excellence in quality and service. We develop and manufacture technically mature products and solutions that are increasingly deployed in environmentally friendly technologies.

ECOLOGICAL RESPONSIBILITY

We consider climate and environmental protection to constitute a key corporate goal, and strive to keep the impact of our activities on the natural world to an absolute minimum. Our environmental initiatives work to improve our handling of water, energy, natural resources and materials in our plants on a continuous basis. Our production facilities are now increasingly certified to international standards such as ISO 14001, EMAS and ISO 50001.

SOCIAL RESPONSIBILITY

We consider the following to be essential: diversity, employee satisfaction, equal opportunities and safe working conditions that are free of prejudice. In all of our activities worldwide, we comply in full with the requirements of the United Nations' International Labour Organisation (ILO), call on all of our business partners to uphold our social standards, and are committed to respecting and defending human rights. LEONI also supports and finances a number of social projects around the world. We also prioritise compliance with OSH standards for the protection of our employees.

CSR Strategy 2030

Adopted in 2019, our CSR Strategy 2030 establishes a strategic framework that supports the comprehensive, structured and systematic development of key non-financial aspects at LEONI up until 2030. The framework includes definitions of targets, measures and key performance indicators (KPIs) for the individual topics. These topics include employee-related issues, environmental issues, upholding human rights and compliance.

The interim review of our issues and their associated targets planned for 2020 has been postponed to 2021. The targets and target achievement are described in detail in the following chapters.



ECONOMIC RESPONSIBILITY

Risk Management System

As part of risk analysis work, risks and opportunities are systematically identified at an early stage. Significant risks and opportunities are analysed and assessed in terms of their probability of occurrence and quantitative effects. Our risk analysis process also considers material risks of relevance for sustainability. Risk assessment involves the analysis of reported non-financial risks from operational business together with abstract risks as defined by a team of experts. These identified abstract risks are already recorded in our Risk Management System and integrated into the risk process. According to our current assessment, no highly probable risks of this nature exist with the potential to have a severely negative impact.

For further details of our current Risk Management System and the reporting of all major risks, please see the summary provide in the section risk and opportunity report of the » [Annual Report 2020](#).



ECONOMIC RESPONSIBILITY

Compliance management and anti-corruption efforts

With the aim of complying with laws and avoiding corruption, LEONI requires all of its employees to demonstrate integrity, responsibility, and deference to rules and regulations. Corresponding provisions are set out in the LEONI Code of Conduct and the Anti-Corruption Compliance Guidelines. Revisions to our Anti-Corruption and Bribery Policy were made in the reporting period. LEONI operates a Compliance Management System in order to enforce and monitor compliance with this policy. A Compliance Management Dashboard, which was introduced a few years ago, has seen regular improvements since then and now includes various modules for a number of separate areas. In relation to anti-corruption and bribery, the following modules have been implemented:

RISK OF CORRUPTION WITHIN THE COMPANY

Target	KPI	Actual 2020
e-Learning course on anti-corruption completed by more than 90%	Ratio of completed training sessions to invited staff/year	92 %
Living Code Quiz more than 90% completed	Ratio of completed training sessions to invited staff/year	76 %

- // Distribution of policies and training materials
- // Completion of business partner compliance audits
- // Documentation and disclosure of conflicts of interest
- // Documentation and disclosure of gifts, invitations, donations and sponsoring

Reports of potential violations of internal anti-corruption policies or breaches of the law are investigated and prosecuted if the reports prove to be well-founded.

Introduced in 2017, our Code of Conduct constitutes a fundamental part of the compliance system at LEONI. The Code of Conduct defines responsible, legally compliant behaviour at LEONI, building on the external requirements incumbent on both the company and its employees that result from legislation as well as the demands of our customers and the market. The Code of Conduct is anchored by our guiding principle of integrity. Integrity is the basis for value-oriented corporate governance, offering guidance, a behavioural standard and assistance in our decision-making.

ECONOMIC RESPONSIBILITY

The value-related concepts set out in the LEONI Code of Conduct are further developed in our 'Living Code': this is an internal, interactive information platform that simultaneously serves as a training platform for the LEONI Code of Conduct. The Living Code uses examples, explainer videos, diagrams, checklists and links, etc. to convey the most important compliance principles to employees, and was updated in the reporting year. The training course developed for the Living Code also addresses the topic of anti-corruption and is mandatory for every active employee with a Windows account, which corresponds to around 16 percent of our workforce. In 2020, training was completed for around 12,300 (previous year: 13,300) employees, which corresponds to a fulfilment rate of 76% (previous year: 73%).

The special anti-corruption e-learning course must be completed by all new employees after joining the company and then at regular intervals of three years. Due to short-time working introduced in response to the coronavirus pandemic, the 60-day deadline for completing the e-learning course was suspended for six months in March 2020. This gave participants time until September to complete their training. In 2020, around 1,800 employees successfully completed the training course (previous year: around 1,500), with a total fulfilment rate of 92% (previous year: 86%).

As a result, both KPIs have continued to improve and the target set for the online anti-corruption course KPI was actually exceeded.

As part of work on our CSR Strategy 2030, we resolved to further increase awareness of compliance both within the company and among our suppliers. To this end, the LEONI Code of Conduct for Business Partners was developed and published in 2019. In 2021, additional measures planned for the implementation of the LEONI Code of Conduct for Business Partners will be introduced, such as the inclusion of the Code of Conduct in our General Terms and Conditions of Purchase.

ECONOMIC RESPONSIBILITY

Electromobility as an example of sustainable product development

LEONI uses a wide range of products, system solutions and services that help our business to use energy more efficiently and conserve resources, thereby reducing emissions and environmental pollution. Alternative drive systems that will power transport in the future – such as hybrid designs, electric motors and fuel cells – form an important part of this approach. As one of the market leaders in this field, LEONI is already able to offer integrated solutions for high-voltage wiring systems and related infrastructure for any alternative drive system – from charging cables and high-voltage lines to complex wiring systems.

The status of electromobility at LEONI is clearly illustrated by the volume of cable harnesses for electric and hybrid vehicles as a proportion of total sales. In LEONI's Wiring Systems Division, this proportion was no less than 28 percent in 2020. The start of production for the wiring system used in Volkswagen's ID.3 was

also a key milestone, since this is a car designed as a fully electric vehicle. Including both high- and low-voltage cable harnesses, this project covers all of the vehicle's wiring systems.

The further development of drive concepts for electromobility is a core field of innovation for the intelligent energy and data solutions to be used in vehicles of the future. Alongside electrified mobility, other key areas within this programme are connected mobility, autonomous mobility, automated production, and smart solutions and services.

From charging cables and battery management to the complex wiring system architecture itself: forward-thinking, high-quality and environmentally friendly innovations for the transport systems of the future are fundamental for sustaining LEONI's long-term growth. In both of our Divisions, we have therefore established a high-performance innovation unit with the aim of developing needs-based solutions in line with new global trends, and for use in sustainable, environmentally friendly products and technologies.



ECOLOGICAL RESPONSIBILITY

LEONI is well aware of its ecological responsibilities and regards environmental protection as a key corporate objective. Our environmental management is geared to keeping the impact of all our processes on nature to the absolute minimum.

We make every effort to reduce energy consumption and our associated greenhouse gas emissions as our contribution to climate change mitigation, and to achieve a high level of efficiency in our use of materials and resources.



ECOLOGICAL RESPONSIBILITY

We have various initiatives in place to promote a sense of responsibility for ecological issues among our employees. We also use a range of awareness-raising measures at our facilities with the aim of ensuring our employees are properly educated about these topics. LEONI has adopted a precautionary approach to environmental protection, in accordance with the UN Global Compact. Environmental protection is therefore anchored in our LEONI Code of Conduct as a core corporate objective.

The respective SHE and environmental protection policies issued by our two Divisions also include the following principles of action in relation to ecology:

- Continuous improvement of measures for occupational health and safety, health and the environment.
- Reductions to the impact on the environment caused by our products and processes, where economically viable and technically feasible.

- Efficient use of environmental resources and energy.
- Prioritising waste avoidance over waste collection and disposal.
- Compliance with all duties in relation to occupational health and safety, health and the environment (legal/other requirements). The relevant national standards are our minimum requirements in this context.

Goals and key performance indicators

In 2017, we defined a number of short-term, facility-by-facility environmental protection targets: these targets were met at all plants in the LEONI Group by 2020:

- Reduction of energy usage by 1.5 percent (baseline: 2016 consumption)
- Reduction of relative volume of waste generated by 2 percent (baseline: waste volume in 2016)

In order to achieve these targets, plants were free to define and complete one or more projects, so as to accommodate the differing strategies and infrastructural circumstances applicable to the various production facilities within the two divisions. We started measuring target achievement levels internally in 2018.

The adoption of the CSR Strategy 2030 marks an expansion to our targets and key figures for environmental protection. Accordingly, LEONI has set targets for water and energy consumption as well as greenhouse gas emissions¹.

¹ Baseline year 2016

The following targets are to be achieved by 2030:

- Certification of all production facilities to the ISO 14001 environmental standard
- Reduction of energy consumption by 15 percent per € 1 million in sales
- Reduction of Scope 1 and Scope 2 CO₂ equivalents by 20 percent per € 1 million in sales
- Reduction in fresh water use by 10 percent per € 1 million in sales

ECOLOGICAL RESPONSIBILITY

Certified management system

To create a suitable starting point for fulfilling these basic principles and monitoring the ecological impact of our activities, most of our facilities operate environmental management systems based on internationally recognised standards such as ISO 14001, EMAS III and ISO 50001.

WSD has set itself the goal of certifying all of its operational units to ISO 14001 by the end of 2019. All operational units in the random sample selected by independent certifiers completed the audit successfully. The corresponding certificates were issued in January 2021.

The WCS Division has set itself a long-term goal of having all facilities successively audited to the ISO 14001 standard. During the reporting year, group certification (which includes 30 facilities) was successfully completed and a corresponding matrix certificate – which is valid until October 2022 – was issued.

ENVIRONMENTAL PROTECTION

Target	KPI	Actual 2020
All operating LEONI production facilities 100% ISO 14001 certified	% certified facilities	91 %

In line with our CSR strategy, 91 percent of the facilities surveyed across the Group had completed ISO 14001 certification by the beginning of 2021. In addition, 6 percent of facilities surveyed also conform to the ISO 50001 standard for energy management systems, while a further 7 percent have been audited under the EU's Eco-Management and Audit Scheme (EMAS).

ECOLOGICAL RESPONSIBILITY

ENVIRONMENTAL PROTECTION

Energy and power consumption

LEONI requires energy for its manufacturing processes and utility systems – such as heating, cooling, ventilation and compressed air – as well as electricity for lighting. In 2020, 487,303 MWh² of energy and electricity were consumed across the Group. This corresponds to a decline of 7 percent in absolute terms compared to the previous year. In line with our CSR strategy, energy consumption increased by around 6 percent per € 1 million of Sales compared to 2016. The strong downturn in sales caused by Covid-19 produced a de facto increase in energy consumption in relation to sales in the reporting year.

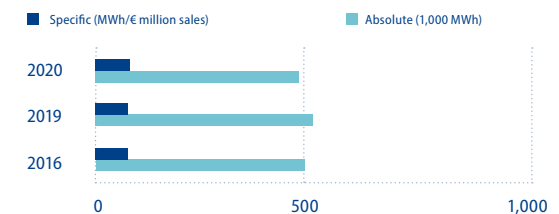
Despite the pandemic, some LEONI facilities were able to start new energy efficiency projects or continue existing ones during the reporting period. Examples of such projects include the installation of more efficient solar panels at the Monticelli d'Ongina facility (Italy), and the conversion to LED lighting at the Naberezhnye Chelny (Russia), Celaya (Mexico), Roth (Gildestraße,

Germany) and Däniken (Switzerland) facilities. A number of facilities were also able to reduce air pressure from 8 to 6 bar in their compressed air supplies, while leaks in compressed air supplies were also identified at several facilities in Germany. Other projects addressed the use of energy-efficient water pumps and the optimisation of cooling water circuits at the Roth facility (Germany), the use of new heat pumps and heat exchangers for building heating in Däniken (Switzerland), and the replacement of around 400 air-conditioning and heating units at the Montigny facility (France). Other activities are profiled in the [Climate and environmental protection projects](#) chapter.

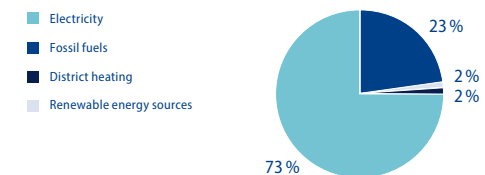
Energy needs were largely met by purchased electricity (73%) and fossil fuels such as natural gas, heating oil and diesel (23%). In addition, 2 percent was provided by district heating and 2 percent by renewable energy in the form of wood pellets (plants in China, Serbia and Ukraine) and landfill gas (facility in Germany).

Target	KPI	Actual 2020
Reduction of energy consumption by 15% percent per € 1 million in sales (baseline year is 2016)	MWh/€ 1 million in sales	6 %

ENERGY AND POWER CONSUMPTION



ENERGY SOURCES AT LEONI



² At the time of the audit of the non-financial information statement, energy consumption was 484,030 MWh. However, there was no material change in the underlying circumstances.

ECOLOGICAL RESPONSIBILITY

Greenhouse gas emissions (GHG)

When measuring³ our CO₂ equivalent (CO₂e) emissions, we include emissions from energy and power consumption in production processes. These processes generate greenhouse gas emissions by heating, the supply of steam, surface treatment and cooling processes. We include direct (Scope 1) and indirect (Scope 2) emissions from 88 production facilities. This number includes all relevant units, namely all research and administrative facilities with more than 50 employees as well as all operational facilities.

In 2020, Scope 1 and Scope 2 emissions together accounted for 260,654 tonnes of CO₂ equivalent. The switch to green electricity at a German and a Mexican facility has significantly reduced the emissions generated by their energy consumption. In line with our CSR strategy, emissions (CO₂e) increased by 31 percent per 1 million of sales compared to 2016,

CLIMATE CHANGE MITIGATION

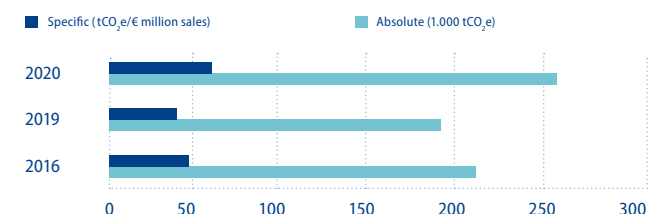
Target	KPI	Actual 2020
Reduction of Scope 1 and Scope 2 emissions (CO ₂ e) by 20% per € 1 million in sales (baseline year is 2016)	t CO ₂ e/per € 1 million in sales	31 %

Emissions from the combustion of wood pellets and landfill gas amounted to 78 tonnes of CO₂e⁴ in 2020.

As in the previous year, we report on three Scope 3 categories. In 2020, Scope 3 emissions totalled 559,655 tonnes of CO₂e, which amounts to a year-on-year reduction of 13 percent. As a result of travel restrictions imposed in response to the Covid-19 pandemic, emissions in the “business travel” category decreased significantly when compared to 2019.

Scope 3 categories	2019	2020
Purchased copper + PVC ⁵	626,000	545,492 ⁶
Transmission and distribution of purchased electricity	16,305	13,908 ⁷
Business travel	2,181	256 ⁸

GHG-EMISSIONS (CO₂e)



³ Our internal GHG audit is completed according to the GHG Protocol Corporate Accounting and Reporting Standard. The basis for calculating CO₂e is provided by the Global Warming Potentials (GWPs), which are in turn based on the Fourth Assessment Report (AR4) of the Intergovernmental Panel on Climate Change (IPCC) over a period of 100 years.

⁴ Emissions are not included in Scope 1 according to the GHG protocol

⁵ Mainly suspension PVC

⁶ Emission factor Idematapp LCA database 2020

⁷ Emission factor IEA 2020

⁸ Emission factor DEFRA 2020. These emissions have been calculated without radiative forcing (RF) factors (RF is a metric that measures the additional environmental impact of air travel, which accounts for emissions of nitrogen oxides and water vapour at high altitudes, for example.)

ECOLOGICAL RESPONSIBILITY

Water consumption

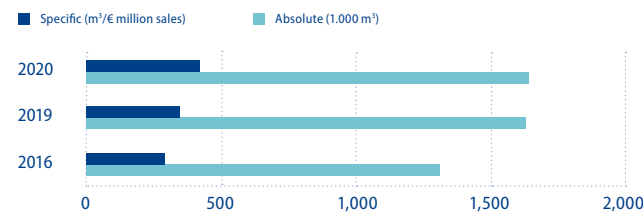
LEONI uses water for activities not related to production (e.g. drinking, sanitary purposes, catering), and for production activities such as cleaning, washing and cooling. In 2020, water consumption amounted to 1,645,658 m³. In absolute terms, this represents a marginal increase of 1 percent compared with the previous year. In line with our CSR strategy, relative consumption per € 1 million of sales increased by 35 percent compared with the 2016 baseline year.

During the course of the year, several measures were initiated or completed with the aim of reducing local water consumption. These included a new water cooling/heating system for production units (heating pumps), as well as retrofitting work at several facilities designed to reduce and/or control the supply of water to toilets. Other activities are profiled in the [Climate and environmental protection projects](#) chapter.

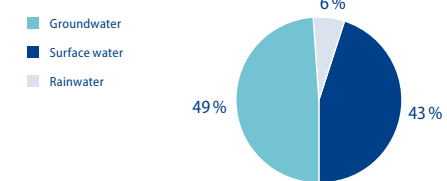
ENVIRONMENTAL PROTECTION

Target	KPI	Actual 2020
Fresh water saving of 10% percent per € 1 million in sales (baseline year is 2016)	m ³ /€ 1 million in sales	35 %

WATER CONSUMPTION



WATER SOURCES AT LEONI



ECOLOGICAL RESPONSIBILITY

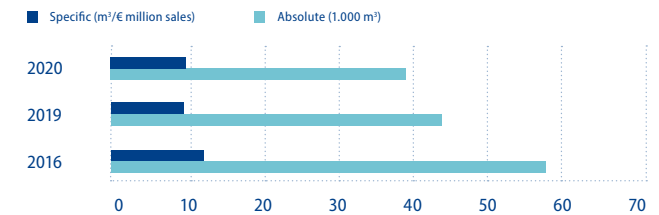
Resource efficiency and waste generation

Activities at LEONI are associated with a high level of resource usage. Our products and solutions require the use of various materials, and copper and plastics in particular. In 2020, the company purchased approximately 140,000 tonnes of copper and 20,850 tonnes of PVC. Information about other important feedstocks and materials used at LEONI can be found in the 2020 Annual Report.

Most waste that we generate is non-hazardous, like the waste generated in canteens or offices. A proportion of our waste is also hazardous, and is made up of galvanisation process waste, oils and lubricants, and coolants for wire-drawing machines, for example. In 2020, the total volume of waste (both non-hazardous and hazardous) was 38,926 tonnes, of which 29,265 tonnes (75%) was reused, recovered or recycled. Compared with the previous year, our total waste volume has therefore fallen by almost 11 percent in absolute terms.

Various measures have led to significant savings in relation to waste generation. The Safety, Health & Environment (“SHE”) department has made significant progress towards its 2018 – 2020 SHE Framework Targets at a number of WCS facilities. As one example, flue gas post-combustion capture was deployed at a German facility in Halver. This new system has reduced the hazardous waste of activated carbon by 100 tonnes per year. Optimisations that further reduced waste volumes were also made to the production process at this facility as well as another facility in Poland. Another activity was completed at a Mexican facility in Chihuahua, where repairs made to plastic cones and wooden pallets have contributed to the reduction or avoidance of waste. Other activities are profiled in the [Climate and environmental protection projects](#) chapter.

WASTE GENERATION



ECOLOGICAL RESPONSIBILITY

KEY ENVIRONMENTAL PROTECTION PERFORMANCE INDICATORS 2020 *Absolute terms*

Facilities	Unit	2016 (baseline year)	2019 (previous year)	2020 (reporting year)
Facilities included	Number	84	84	88
Management systems				
Facilities ISO 14001 certified	%	71	88	91
Facilities with EMAS validation	%	7	6	7
Facilities ISO 50001 certified	%	6	6	6
Facilities OHSAS 18001 and ISO 45001 certified	%	12	32	38
Energy consumption				
Electricity	MWh	37,198	392,783	356,320
District heating	MWh	5,240	7,640	10,182
Fossil fuels	MWh	122,970	117,576	113,269
Renewable energy sources	MWh	3,099	3,474	7,532
Absolute	MWh	502,507	521,473	487,303
Greenhouse gas emissions				
Scope 1 CO ₂ e	t CO ₂ e	29,988	24,884	23,183
Scope 2 CO ₂ e	t CO ₂ e	182,970	167,087	237,470
Absolute	t CO₂e	212,958	191,971	260,654
Water consumption				
Surface water	m ³	789,824	654,484	743,225
Groundwater	m ³	492,062	965,032	805,280
Rainwater	m ³	21,758	5,134	97,153
Absolute	m³	1,303,644	1,624,650	1,645,658
Waste generation				
Non-hazardous waste	t	40,915	40,192	35,963
Thereof recycled non-hazardous waste	t	28,884	31,311	29,265
Hazardous waste	t	16,763	3,413	2,963
Thereof hazardous waste already disposed of	t	16,372	2,250	2,748
Absolute	t	57,678	43,605	38,926

ECOLOGICAL RESPONSIBILITY

KEY ENVIRONMENTAL PROTECTION PERFORMANCE INDICATORS 2020 *Specific KPIs*

Facilities	Unit	2016 (baseline year)	2019 (previous year)	2020 (reporting year)
Facilities included	Number	84	84	88
Energy consumption				
Electricity	MWh/€ million	83.8	80.4	86.2
District heating	MWh/€ million	NA	1.6	2.5
Fossil fuels	MWh/€ million	27.8	24.1	27.4
Renewable energy sources	MWh/€ million	NA	0.7	1.8
Specific	MWh/€ million	112	107	118
Water consumption				
Surface water	m³/€ million	178.2	134.0	179.8
Groundwater	m³/€ million	111.0	197.6	194.8
Rainwater	m³/€ million	4.9	1.1	23.5
Specific	m³/€ million	294	333	398
Greenhouse gas emissions				
Scope 1 CO ₂ e	t CO ₂ e/€ million	6.8	5.1	5.6
Scope 2 CO ₂ e	t CO ₂ e/€ million	41.3	34.2	57.4
Specific	t CO₂e/€ million	48	39	63
Waste generation				
Non-hazardous waste	t/€ million	9.2	8.2	8.7
Thereof recycled non-hazardous waste	t/€ million	6.5	6.4	7.1
Hazardous waste	t/€ million	3.8	0.7	0.7
Thereof hazardous waste already disposed of	t/€ million	3.7	0.5	0.7
Specific	t/€ million	12	9	9

ECOLOGICAL RESPONSIBILITY

Climate and environmental protection projects

As in previous years, LEONI also implemented various projects around the world in 2020 to help conserve natural resources and reduce greenhouse gas emissions.

In order to further reduce energy consumption, the gradual conversion of lighting to LED-based systems was continued at several facilities in Europe, Mexico and Russia, for example. In addition, the installation of a central control system for lighting in production facilities was initiated at locations in India and Slovakia. At a German facility, leaks in the compressed air supply were eliminated by optimising the lubrication of extruder gears. These and other projects have made contributions to reducing absolute energy consumption within the Group.

Despite several projects aimed at achieving continuous reductions in water use, consumption increased year-on-year. Measures such as the conversion of toilet flushing systems to systems with lower water consumption at premises in France and Germany or the installation of sensor flushing in sanitary facilities at a Russian site were unable to compensate for the increase in water consumption resulting from an increase in production staff, as well as the more stringent hygiene practices introduced in response to the Covid-19 pandemic.

As one example of measures adopted to further improve the proportion of energy sourced from renewables, a long-term agreement for the use of solar power was signed by a Mexican facility a few years ago.

One positive result is the figure for total waste generated, which fell sharply in 2020. In addition to the projects already mentioned under “Resource efficiency and waste generation”, appropriate measures to raise awareness are also planned at sites such as our Moroccan facility in Casablanca to further reduce waste generation in the future.



ECOLOGICAL RESPONSIBILITY

2020 ENVIRONMENTAL PROJECTS

* Compared with 2016 or next available baseline year

Projects	Country	Description	Facility savings*
Energy savings	Germany	Optimisation of extruder gear lubrication and elimination of leaks in compressed air supply	1 %
		Replacement of production unit lighting with LED systems	29 %
	France	Replacement of production unit lighting with LED systems	7 %
	India	Installation of a daytime timer switch in factory lighting	6 %
	Mexico	Replacement of production unit lighting with LED systems	1 %
	Russia	Reduction of electricity consumption by replacing the main production lighting with LED lighting	21 %
	Slovakia	Installation of a central control system for ceiling lights in production areas.	6 %
Water savings	China	Installation of a manual valve to control the water supply	30 %
	Germany	Toilet flush system conversion (system with reduced water consumption)	6 %
	France	Toilet flush system conversion (system with reduced water consumption)	8 %
	Russia	Installation of sensor flush systems in sanitary facilities	16 %
Renewable energy	France	Increase in proportion of renewable energy from energy supplier	6 %
	Mexico	Use of solar power by agreement signed with Los Santos Solar I	54 %
Waste management	China	Process improvements in cable production to reduce PVC consumption	336 %
		Recycling of used wooden pallets	17 %
	Mexico	Repairs to plastic cones and wooden pallets in order to reduce or avoid waste	1 %
	Poland	Installation of a dedicated evaporator machine to reduce emulsion waste	20 %

SOCIAL RESPONSIBILITY

As always, LEONI strives to offer its employees interesting work that involves a high degree of independent responsibility within a motivating, supportive and constructive environment. As an employer, LEONI seeks to attract competent and committed staff, and to retain these employees over the long term. As before, diversity and employee satisfaction constitute key factors for ensuring the future success and viability of our company.



SOCIAL RESPONSIBILITY

Diversity

We view diversity – in terms of gender, age, cultural background, ethnicity, and professional experience and world view – as the key to being able to successfully manage an increasingly complex set of tasks and challenges within heterogeneous teams. Our focus here is at the top management level, especially in terms of promoting and ensuring an appropriate level of participation for women, as well as boosting internationalisation and making it easier for employees to move between departments and job roles. In line with our CSR Strategy 2030, we have set ourselves the goal of increasing the proportion of women at the two most senior levels of management (levels 1 and 2) to around 20 percent by 2030. Simultaneously, we aim to maintain the well-balanced proportion of women in the workforce. We also intend to significantly increase the proportion of non-German nationals in senior management roles by 2030.

In 2020, 6.3 percent (previous year: 5.6%) of top management positions in the LEONI Group worldwide were held by women. At the end of the reporting period, one of the three members of LEONI's

DIVERSITY

Target	KPI	Actual 2020
Maintaining the proportion of women in the Group workforce with a deviation in absolute terms of $\pm 5\%$	(%) overall proportion of women	55 %
Tripling the proportion of women in senior management by 6.5% to about 20%	(%) proportion of women in senior management	6.3 %
Relative increase in the proportion of non-German citizens in senior management by 5%	(%) non-German citizens in senior management	24 %

Board of Directors was a woman. At the end of the reporting year, approx. 55 percent of LEONI's workforce worldwide was female (previous year: 54%).

In 2020, we were unable to implement most of our measures aimed at promoting women to top management positions – such as targeted skills training for high-potential women – as a result of the Covid-19 pandemic. Some measures were implemented only in online formats with significant limitations. Nonetheless, our personnel advisors naturally remain tasked with the identification and presentation of suitable female candidates for all of our vacancies.

International experience and periods of residency abroad form a key element of our management development programme – especially for positions in senior management. Despite the

restrictions imposed by the pandemic, employees and managers alike were posted abroad last year in order to handle tasks in management or important projects (such as facility construction work or product launches). The proportion of non-German nationals in top management was approximately 24 percent (previous year: 22%) at the end of the reporting year.

SOCIAL RESPONSIBILITY

Employee satisfaction

LEONI strives to create a working environment for all staff world-wide that is free from discrimination, both at the recruitment stage and during employment, and makes every effort to guarantee employees freedom of association and a right to collective bargaining. A general prohibition of discrimination is therefore mentioned explicitly in our Code of Conduct and LEONI's Social Charter. In addition, the Social Charter stipulates that support is to be provided for employee skills training and – as a minimum requirement – states that compliance is to be ensured with relevant national standards in terms of remuneration and minimum wages, health, safety and holiday periods.

In order to increase LEONI's attractiveness as an employer, we also offer our employees a set of general conditions that fulfil the needs of their various life situations, such as flexible working hours and extended opportunities for part-time work or working from home.

EMPLOYEE SATISFACTION

*The next staff survey will probably be carried out in 2021.

Target	KPI	Actual 2020
Maintaining willingness to participate in the 1st Group-wide staff survey at about 70% *	(%) response rate	—
Slight increase in the Employment Engagement Index from 76 points to around 80 points *	Employee Engagement Index	—

In 2020, the Covid-19 pandemic shaped both the measurement and the promotion of employee satisfaction. At a number of facilities, local employee satisfaction surveys were conducted that addressed the company's response to the pandemic and the health protection measures introduced, as well as employee satisfaction with conditions applicable to working from home. The next global survey of employee satisfaction, which will be used as input for deriving specific measures, is planned for 2021.

SOCIAL RESPONSIBILITY

Changes to working conditions as result of Covid-19

Working conditions at LEONI changed significantly in response to the Covid-19 pandemic. For most employees, the temporary closure of many facilities in 2020 was associated with short-time working hours and/or a leave of absence in order to avoid forced redundancies.

To minimise risks to their health, employees were also encouraged to work from home where possible. To facilitate this change, we significantly expanded the technical infrastructure needed – such as VPN capacity – at very short notice. The measures we have introduced to support working from home and virtual collaboration – including measures to promote mental and physical health at home – will be further developed in 2021 and implemented as long-term objectives.

We also set up a Coronavirus Task Force, responsible for developing a comprehensive hygiene plan and implementing it immediately at all facilities worldwide in order to provide all employees with optimum protection against infection.

The plan includes general guidelines and rules of conduct covering social distancing, coughing/sneezing etiquette and work in teams. Face masks and a wide range of disinfection resources were also made available to all employees worldwide. The hygiene plan also addresses the need for measures to protect special, high-risk groups within the workforce as well as active health management. These measures include specific guidance for the workplace commute, especially at facilities served by LEONI's own bus fleet, as well as rules governing access to properties and buildings where temperature measurement regulations apply. Last but not least, the plan includes rules for team meetings as well as for the design and use of workstations in office and production environments. In the meantime, LEONI has started to vaccinate staff against Covid-19 at many locations worldwide – e.g. in Egypt, Brazil, Germany, Mexico, Rumania, Russia and Ukraine.



SOCIAL RESPONSIBILITY

Occupational health and safety

Promoting occupational health and safety, as well as compliance with relevant standards, are key goals set out within the respective occupational health and safety, and environment policies issued by our two Divisions. The specific principles for action on occupational health and safety in these policies were updated in 2019, and are as follows:

- Social and ecological responsibility are core corporate objectives
- Occupational health and safety, and environmental protection form part of all leadership roles.
- Providing safe workplaces and working conditions that protect employee health by helping them avoid work-related injuries and illnesses.
- Continuous improvement of measures for occupational health and safety, and the environment.
- Compliance with all duties in relation to occupational health and safety, health and the environment (legal/other requirements). The relevant national standards are our minimum requirements in this context.

OCCUPATIONAL HEALTH AND SAFETY

Target	KPI	Actual 2020
100% AMS certification of WSD facilities to ISO 45001	(%) certified facilities	82 %
Maintaining the accident rate of 0.5	# number of accidents at work / 100 employees	0.55 %
100% medical care at all LEONI facilities	(%) of facilities with medical care	64 %

- Creating and promoting mutual trust by engaging in dialogue with all interested parties, and internally with our employees and their representatives in particular.

The Group-wide SHE strategy, and therefore the work of the OneSHE network – which comprised the regional SHE managers from both Divisions and which met once again in the reporting year – was successfully implemented. The necessary occupational health and safety, and environmental activities continue to be pursued by the operational Divisions.

We are increasingly implementing internationally recognised standards in order to ensure the safety and health of our employees. In 2020, the transition from OHSAS 18001 to the new ISO 45001 standard was successfully completed, and the Wiring Systems Division's 45001 matrix was expanded from 29 to 30 locations.

In the Wire and Cable Solutions Division, three facilities are now certified to ISO 45001, the new OH&S standard.

Accordingly, a total of 38 percent of all facilities surveyed across the Group now have an OH&S management system in place. Since 2018, our aim has been to record both workplace accidents as well as health and safety activities conducted at the facilities included in our survey areas of occupational health and safety and emergency management across the whole Group. This target was achieved in 2020.

In line with our CSR Strategy 2030, a new target has now been set: maintaining each facility's accident incident rate and/or achieve an improved Group accident incident rate of 0.50 per 100 employees by 2030. To this end, various occupational health and safety activities once again took place in the reporting year, ranging

SOCIAL RESPONSIBILITY

from safety training to preventive screening programmes, with each facility focusing on issues of particular relevance and importance. In 2020, the incidence rate for workplace accidents fell⁹ to 0.55 per 100 employees and approached the target value of 0.50 per 100 employees. However, it should be noted that this figure was affected by the Covid-19 protective measures (short-time working and working from home in particular). A figure for medical care coverage at our facilities was first set in 2019. This figure was 64 percent in 2020.

Respect of human rights

The LEONI Group has declared its commitment to uphold internationally recognised human rights. We hold our entire management team, all our employees and all our business partners responsible for working to prevent modern slavery and human trafficking in our business activities. Details are set out in the LEONI Code of Conduct, the LEONI Code of Conduct for Business Partners and the LEONI Social Charter. In our declaration that commits us to upholding human rights, we also expressly state that we do not tolerate any human rights abuses and such violations will be unequivocally sanctioned.

In November 2020, the LEONI AG Board of Directors launched its “Human Rights” project. This project aims to develop a due diligence process that effectively meets current and future legal requirements as well as reporting obligations in relation to human rights. In addition, measures to prevent human rights violations are to be developed and implemented, both within the Group as well as by key business partners. The project expands on and replaces the previous “Modern Slavery Prevention” programme. As part of this work, the existing whistleblower platform was expanded at the beginning of 2020 to include additional topics such as discrimination or unlawful working conditions.

LEONI also requires all of its partners to conduct their business sustainably and to uphold human rights at all times. To this end, the LEONI Code of Conduct for Business Partners was published in 2019. Our standard terms and conditions of business generally require all suppliers to comply with the Social Charter and/or the principles of the UN Global Compact. Accordingly, a new supplier for either Division is approved only if they agree to uphold either the UN Global Compact Guiding Principles or the LEONI Social Charter. In 2020, the Wiring Systems Division also introduced compliance with the LEONI Code of Conduct for Business Partners as an additional criterion in the evaluation process we use for suppliers of production materials. For the Wire & Cable Solutions Division, this criterion will be included as part of the 2021 supplier self-assessment.

Furthermore, additional measures planned for the implementation of the LEONI Code of Conduct for Business Partners will be introduced in 2021, such as the inclusion of the Code of Conduct in our General Terms and Conditions of Purchase. In the event of serious and repeated violations of the principles set out in these documents coming to light, LEONI is entitled to terminate business relations immediately. No material breaches of these principles were reported in 2020.

LEONI also makes every effort to prevent the use of “conflict minerals”, which are minerals whose extraction involves human rights abuses; suppliers are prohibited from supplying any components containing raw materials supplied by DR Congo or its neighbouring countries. This prohibition is set out in a Group-wide policy on conflict minerals that is implemented for operational business activities in both divisions. Since 2014, we have voluntarily provided interested customers with information complying with the provisions of the US Dodd-Frank Wall Street and Consumer Protection Act, which states which of our products contain conflict minerals such as gold, tantalum, tin and tungsten from mines or smelting works in certain African countries. To ensure the accuracy of this report, we request the necessary data from our suppliers ever

9 In accordance with international standards, accidents at work must be reported from the first day of absence

SOCIAL RESPONSIBILITY

year. In this way, we promote the traceability of such materials and enhance the transparency of our supply chain, thereby helping our customers to meet their own requirements in this area.

Community engagement

LEONI supports community projects with both donations and sponsorships. Key points of focus here are sustainability and local relevance. Activities are coordinated on the one hand by a Group-wide sponsorship strategy, which is also supported by voluntary coordination efforts from individual facilities, to ensure we meet the specific needs of each particular region. At many of its facilities worldwide, LEONI helps social projects by providing various institutions with donations in kind, for example, or supporting local environmental activities. We also maintain a range of partnerships with universities, technical colleges and research institutions. In developing and emerging countries in particular, LEONI's facilities make significant contributions in economic terms, thereby helping to combat poverty and support sustainable development in these countries. In light of the company's economic situation, the Board of Directors has

temporarily curtailed the budget made available for donations and sponsorships.

Exertion of political influence

LEONI does not support any political organisations or parties. We are involved in a number of associations that promote the interests of various industrial sectors. These include the German Association of the Automotive Industry (VDA), the German Electrical and Electronic Manufacturers' Association (ZVEI), and the Employers' Associations of the Metal and Electrical Industry in Bavaria (Bayme vbm). While LEONI is an active member of these associations, it is not represented in the respective political working groups; our membership therefore does not involve the exertion of direct political influence.

SOCIAL RESPONSIBILITY



2020 COMMUNITY PROJECTS

Brasil	Supporting charities for disabled people and institutions for children
China	Awarding of scholarship grants
Germany	Gifts from LEONI employees to children (Rummelsberger Jugendhilfestation). Support for young students/student societies with scholarships, monetary support provided to local sports club Donations and membership fees for social or cultural organisations such as the German
France	Support for young people from disadvantaged neighbourhoods
India	Donations of food from LEONI employees to those affected by the Covid-19 pandemic Tree planting and donations of clothing
Italy	Supporting a local association providing free transport services to elderly and/or disabled people
Mexico	Beach clean-up (waste collection) Donation of beverages to the Mexican Association for Aid for Children with Cancer (AMANC) Donation of food to those affected by natural disasters Christmas presents from LEONI employees to children in the community
Poland	Donations of animal feed from LEONI employees to animal shelters
Rumania	Supporting hospitals with donations in kind during the Covid-19 pandemic
Serbia	Donations to daycare facilities and community centres
Tunisia	Supporting schools with donations in kind (masks, soap,...) during the Covid-19 pandemic
Ukraine	Support provided to Caritas

UN GLOBAL COMPACT INDEX

UN Global Compact Principle	Implementation by LEONI	Information on guidelines, systems, results and key performance indicators covered in this report
Human rights: Companys shall ...		
Principle 1 ... support and respect the protection of internationally proclaimed human rights; and	LEONI Code of Conduct LEONI Code of Conduct for business partners	
Principle 2 ... make sure that they are not complicit in human rights abuses.	LEONI Social Charter Statement on upholding human rights Guideline on conflict materials	› Page 31
Labour standards: Companys shall ...		
Principle 3 ... uphold the freedom of association and the effective recognition of the right to collective bargaining;	LEONI Code of Conduct LEONI Code of Conduct for business partners	› Page 28
Principle 4 ... the elimination of all forms of forced and compulsory labour;	LEONI Code of Conduct LEONI Code of Conduct for business partners	› Page 31
Principle 5 ... the effective abolition of child labour; and	LEONI Code of Conduct LEONI Code of Conduct for business partners	› Page 31
Principle 6 ... the elimination of discrimination in respect of employment and occupation.	LEONI Code of Conduct LEONI Code of Conduct for business partners	› Page 28
Environmental protection: Companys shall ...		
Principle 7 ... support a precautionary approach to environmental challenges;	ISO 14001, ISO 50001, EMAS certification SHE guidelines LEONI Code of Conduct LEONI Code of Conduct for business partners	› Page 17 › Page 16 › Page 12 › Page 13
Principle 8 ... undertake initiatives to promote greater environmental responsibility; and	Accounting for GHG emissions Projects aimed at conserving resources and reducing climate-related emissions LEONI Code of Conduct LEONI Code of Conduct for business partners	› Page 19 › Page 25 › Page 12 › Page 13
Principle 9 ... encourage the development and diffusion of environmentally friendly technologies.	Sustainable product development	› Page 14
Anti-Corruption: Companys shall ...		
Principle 10 ... work against corruption in all its forms, including extortion and bribery.	LEONI Code of Conduct LEONI Code of Conduct for business partners	› Page 12 › Page 13



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