

United Nations Global Compact

Communication on progress 2015



The Quality Connection

LEONI



Declaration of support



As a globally active company, LEONI has made it its mission to ensure observance of human rights, and has recognised labour standards at our 82 subsidiaries in 31 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.

Sustainability has especially high priority for LEONI. It means both a long-term business outlook and integration of ecological and social aspects into our management systems. We regard this as a contribution both to safeguarding our Company's future and towards the sustainable growth of business and society. This is why we have been participating in the Carbon Disclosure Project since 2007 and why we have certified our principal production facilities in accordance with the ISO 14001 environmental standard. It is also why we launched our Green Technology Initiative in 2009, with which we are advancing towards being the leading manufacturer of cables for environmentally friendly technologies.

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

This LEONI Global Compact Communication on Progress documents the key steps we made in 2014 towards upholding the ten principles of the UN Global Compact, and details our measures and results.

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

Nuremberg, July 2015

LEONI AG
The Management Board

Dieter Bellé

Dr Andreas Brand

Dr Frank Hiller

WIRES

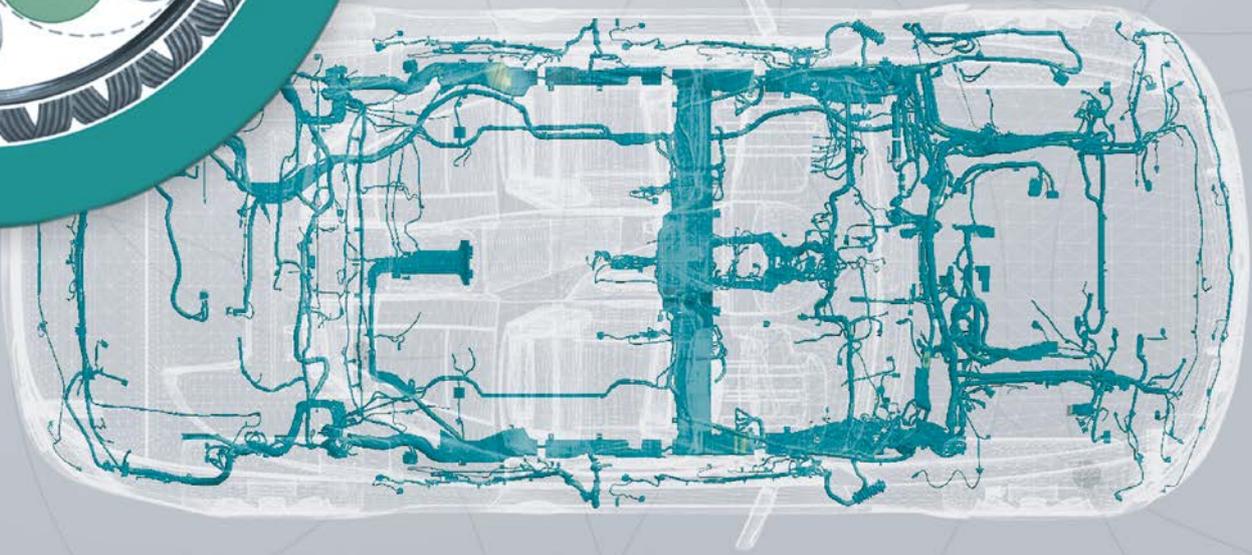
CABLES

CABLE SYSTEMS

COMPONENTS

WIRING SYSTEMS

OPTICAL FIBERS



The LEONI Group

Leading cable systems manufacturer with a global footprint

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 70,000 people in 31 countries and generated consolidated sales of EUR 4.1 billion in 2014.

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 harmonised components – from the cable itself to all the required connectors and fixings. The ongoing growth of the company as a provider of development work and systems is a significant trend in this respect.

Experience in and presence on the markets of the future

LEONI focuses its business on the core markets of Automotive & Commercial Vehicles, Industry & Healthcare, Communication & Infrastructure, Electrical Appliances as well as Wires & Strands. Our customers include well-known names such as ABB, BMW, Bosch, Continental, Deutsche Telekom, EADS, Ericsson, Fiat, GM, Hyundai, IBM, Jaguar / Landrover, Johnson Controls, MAN, Mercedes-Benz, Meyer Werft, Philips, PSA Peugeot Citroen, Renault / Nissan, Shell, Siemens, Solarworld, Volvo and VW. The company already leads the world 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 throughout 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 often present companies with major challenges, as they frequently entail greater consumption of resources and cause more damage to the environment. At the same time, however, they also provide some 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 further 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.

Human rights

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

PRINCIPLE 2: make sure 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 it 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 to support 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 for all employees of the LEONI Group worldwide and has been made accessible to every employee.

The Code of Ethics describes in unequivocal terms the values and conditions of responsible and integral behaviour that have always guided LEONI. It is essential that LEONI employees act in compliance with the internal regulations and the statutory regulations of the legal system that applies to them. When joining LEONI, all new employees must confirm through a relevant paragraph in their employment contract that they will comply with the LEONI Code of Ethics.

Courses on LEONI Code of Ethics compliance

The training courses on the LEONI Code of Ethics have been running since 2011 on a globally available training platform in 14 different languages. Approximately 13,000 employees were trained through these courses via email in 2014. 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.

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

Health and safety at work

Acting sustainably ensures our company's future. Specific principles for action are embedded in our guidelines for environmental, occupational and health protection to safeguard everyone who works for or with LEONI. These include avoiding injury to or illness of our employees 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 GUIDELINES UND 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 the LEONI Code of Ethics contributes to sharpening the awareness among management and staff of human rights.
 - Embedded in our guidelines for environmental, occupational and health protection are principles for action that ensure the health and safety of everyone who works for or with LEONI.
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RESULTS AND KEY FIGURES

- Every LEONI employee is, upon being recruited, handed or given access to the LEONI Code of Ethics.
 - Around 13,000 employees and managers worldwide have completed an e-learning course on "Compliance Basics and LEONI Code of Ethics".
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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 and compulsory labour,

PRINCIPLE 5: the effective abolition of child labour and

PRINCIPLE 6: the elimination of discrimination in respect of employment and occupation.

LEONI is committed with worldwide effect to providing a working environment for its employees that is free of discrimination in both employment and occupation, and in which there is freedom of association. The right to collective bargaining is effectively recognised. LEONI strictly rejects child 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 at all of the Group companies that all employees 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 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 factor of our Internal Control System (ICS). We received no reports of any breaches of this kind in 2014.

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 for the Company in general. Since 2006, our Wiring Systems Division has therefore been using a supplier self-audit to check 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 adopted in our T&Cs. Here we draw express attention to the fact that, in the event of any serious or repeated breach of the principles as detailed in the T&Cs, LEONI is entitled to terminate the supply relationship without notice.

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 General Equal Treatment Act.

Social commitment

LEONI commits itself with donations for and sponsorship of various social projects, where we give priority to sustainability and a regional approach. In 2014, we made donations to children's aid organisations, sports associations, crèches and orphanages, to name just a few projects. The largest individual donation, amounting to EUR 50,000, went to two social projects in Tunisia.

LEONI GUIDELINES UND SYSTEMS

- LEONI provides training on the General Act on Equal Treatment 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.

- Through participating 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 13,000 employees and managers have completed the e-learning module "Compliance Basics and LEONI Code of Ethics" and have received training on those principles of the LEONI Social Charter that concern labour standards.

- As at the end of 2014, the proportion of women in our entire workforce around the world had fallen slightly to 53%.

- In pleasing contrast, however, the proportion of female employees in management positions had risen slightly to 28%.

Environmental protection

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

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

PRINCIPLE 9: encourage the development and diffusion of environmentally friendly 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 diffusion of environmentally friendly 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 as minor as possible. The principles of our environmental policy also play a role in the selection of our suppliers.

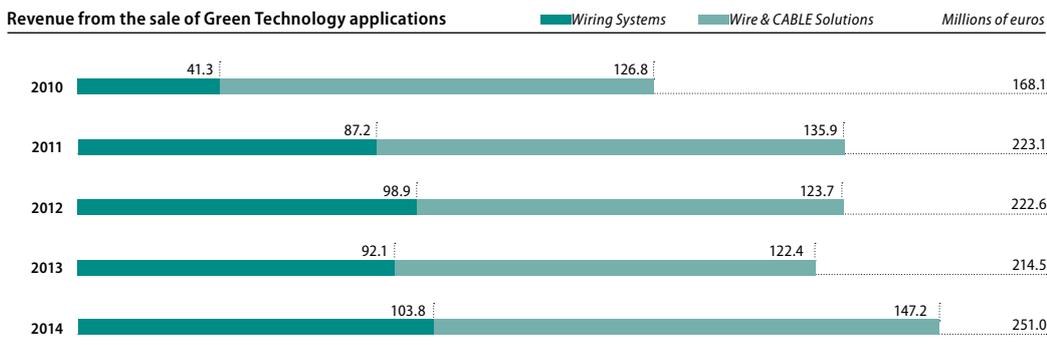
Initiatives

GREEN TECHNOLOGY At LEONI, this concept covers all products, system solutions and services that make the use of energy more efficient and easier on resources, thereby reducing emissions and pollution of the environment. 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 installations and solar thermal energy plants) ▪ Bioenergy (e.g. biogas and biomass plants) ▪ Hydropower (e.g. tidal and pumped-storage 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 prevent waste ▪ Lightweight materials and components
Recycling management	<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 cleaning plants ▪ Household appliances with high water consumption efficiency
Sustainable mobility	<ul style="list-style-type: none"> ▪ Vehicles with hybrid, electric and fuel cell power ▪ Charging cables and infrastructure ▪ Rolling stock engineering

In 2014, LEONI further extended its product portfolio for Green Technology. Details of the latest developments can be found in the Research & Development section of our 2014 Annual Report. In financial year 2014, our Group-wide sales of products and solutions for green technology rose by 17 percent to EUR 251.0 million (previous year: EUR 214.5 million).

>> 2014 Annual Report
Research & Development
Page 89.



We also assessed our manufacturing processes with regard to green technology: In 2014, our Group-wide sales of products that are manufactured in environmentally certified facilities or using energy efficient plant and machinery increased from EUR 3,087.8 million to EUR 3,143.7 million. EUR 1,128.5 million were attributable to the Wire & Cable Solutions Division (previous year: EUR 1,076.8 million), and EUR 2,015.2 million to the Wiring Systems Division (previous year: EUR 2,011.0 million).

>> Further information
can be found in our
2014 Annual Report
Page 97.

CARBON DISCLOSURE PROJECT In 2014, LEONI decided to suspend reporting to the CDP for a period of one year (reporting year 2013). This allowed us to work on our data quality and optimise our reporting processes. Our goal is to use valid data to define significant/relevant measures to reduce emissions on a continuous basis.

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.

Despite the Wire & Cable Solutions Division's high dependency on production facilities, energy efficiency in manufacturing continued to increase as planned. As part of the Division-wide environmental objective for 2014, the larger production facilities were required to analyse the generation and distribution of air pressure (the main element in the WCS production processes) for efficiency and cost-effectiveness. Depending on the analysis results, they were then obliged to implement any measures for improvement needed. Another method to increase energy efficiency was to install modern lighting concepts (energy efficient lighting systems, presence detectors, daylight control) in the production halls of several sites in Germany, Poland and Slovakia.

In 2014, two further cable production sites in Germany (Stolberg / North Rhine-Westphalia and Roth / Bavaria) successfully passed the assessment for initial certification of their energy management systems in accordance with the ISO 50001 standard.

Direct and indirect CO₂ emissions across the Group

In 2014, approximately 47 tonnes of CO₂ were emitted for every EUR 1 million of revenue.

Energy consumption

In 2014, approximately 170 Mwh of energy were consumed for every EUR 1 million of revenue.

Recycling

LEONI participates in the "Our Cars" initiative and thus in projects to recycle them, for example, the EU End-of-Life Vehicle Directive.

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 GUIDELINES UND SYSTEMS

- In our environment management system we are certifying our plants to the ISO 14001 standard. Additionally, we put a set of internal environmental guidelines in place in 2014.
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RESULTS AND KEY FIGURES

- In 2014, our Group-wide sales of products manufactured in environmentally certified facilities or using energy efficient plant and machinery amounted to EUR 3,143.7 million.
 - Within our two divisions (WSD and WCS), a total of 49 organisational units had been certified in accordance with the environmental management standard ISO 14001 by the end of 2014. An internal audit is performed in each of these units at least once every year. In addition, the central services departments of both divisions perform further internal audits of a sample of randomly selected units.
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Corruption prevention

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

Zero tolerance for corruption – new guidelines

LEONI's company management takes a clear stance against corruption (zero tolerance). The LEONI Code of Ethics, published in 2007, clearly reflects our anti-corruption mindset.

From 2015, we will continue to develop the Code of Ethics and focus on preventing corruption by introducing a specific Group guideline "Anti-corruption". We are also planning to write a detailed audit process for the particularly high-risk group "Business Partners", which includes commercial agents, intermediary companies and agencies. In addition, a guideline for gifts & hospitality will provide clear regulations for the granting and accepting of gifts, invitations to business meals and invitations to events. The guidelines have been reviewed by an external law firm.

>> The LEONI Code of Ethics is available at www.leoni.com.

Employee training – controls

LEONI has been providing e-learning training on prevention of corruption to all 150 managers in the first four management tiers and further employee groups (e.g. Purchasing, Sales) for several years. The modules are available in eight languages and can be accessed worldwide via a global training platform. Approximately 5,000 LEONI employees have been trained so far. We have now planned a series of classroom training sessions and videos to present and explain the regulations in the new guidelines.

All LEONI managers must submit a Declaration of Undertakings every year as well as compliance controls via Control Self Assessments. This means they are regularly reminded of their managerial responsibility to combat corruption. (Compliance) audits assess whether compliance guidelines are being adhered to.

>> See also "Compliance training for the LEONI Code of Ethics" under "Human rights".

Compliance desk

A new compliance desk was set up in 2014 to conduct a pre-evaluation of compliance issues, and follow up any information provided via email, telephone, by hard copy or with the form designed for this purpose.

LEONI GUIDELINES UND SYSTEMS

- New Group guidelines to prevent corruption
- Compliance desk introduced in 2014.

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 5,000 employees and all 150 managers have already completed the "Anti-Corruption" e-learning module.

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