



**We think ahead.**  
**Sustainability.**

# Building a sustainable business for Leadec

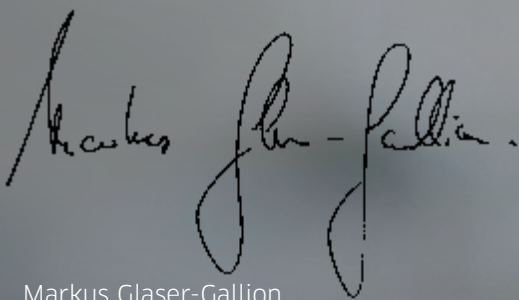
There are multiple ways to measure the success of a company – from profits to growth to brand recognition. But something that is becoming increasingly important today is building a sustainable business. Investing in our employees, ensuring compliance with new regulations and standards as well as managing our environmental impact is how we create long-term value.

At Leadec, I want us to be driving that sustainability argument across all levels. We need to be ready for new regulations, new consumer patterns and new stakeholder demands by implementing a sustainable business model.

Preparing for a shifting global picture, between resource use and changing regulations, we strive to mitigate our climate change impact. We also make sure to take care of our employees and enact our social responsibilities, following global guidelines to spot and address modern slavery, being rigorous in providing a safe working environment, embracing laws on privacy and cyber security and having fair pay rules across our company. For this reason, Leadec aligns their sustainability strategy and goals with the United Nations Sustainable Development goals (UN SDGs).

Being sustainable is vital to our core principles of reliability, commitment and becoming leading-edge. Leadec must be reliable for our customers so we are ready to adapt to shifting regulations and provide continuous training for our employees. Any half-hearted attempt would torpedo our values, which are: commitment, reliability and being leading edge.

I want our employees, our customers and our communities to feel that the company is doing right by them. To be the leading provider for the factory of today and tomorrow, we need to build towards a sustainable business structure for that tomorrow.

A handwritten signature in black ink, reading 'Markus Glaser-Gallion'.

Markus Glaser-Gallion  
CEO Leadec Group

“By building a sustainable business, we add value for our customers. We always play it safe.”

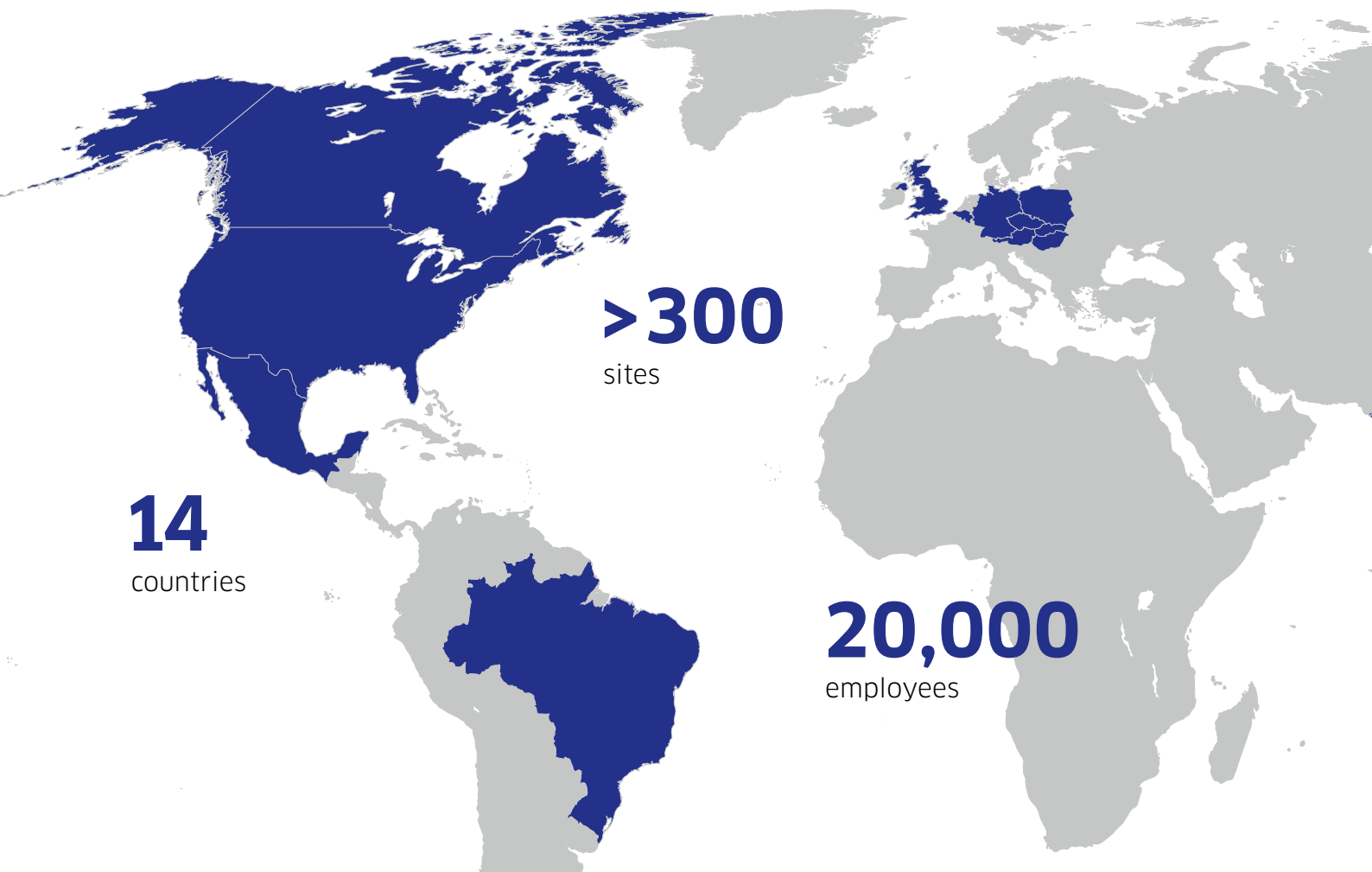




# Leadec at a glance

Leadec is the leading provider of technical services for manufacturing industries around the world. We offer a wide range of services along the entire production value chain, based on a deep customer-specific know-how and technical knowledge. Our services are mainly delivered on site at the customer's premises under multi-year framework agreements or in the form of temporary projects.

Having serviced customers in the automotive industry for more than 50 years, we have proven that we will meet the highest standards of quality, efficiency and safety in manufacturing. Customers from other industries, such as aerospace, line and machine building, consumer goods, off-highway and tire manufacturer have come to appreciate our innovative, reliable and sustainable service concepts to enhance their factories.





# Our services for your factory



**>50**

years industry experience

The services performed by Leadec cover the entire manufacturing value chain. From engineering to installation and maintenance up to support. We combine the expertise, networking capacity and performance of a global player with the personal support of a regional partner with local insights.

With a workforce of around 20,000 worldwide, we are represented at more than 300 sites on four continents, so we are always close to our customers – as an industry expert, service provider and astute partner that is always mindful of forthcoming technical developments.

As a result, our customers can continue to focus on their core business into the future, while we make sure that their processes run smoothly.

# Our approach to sustainability

Sustainability concerns every one of us. We understand the increasing importance of sustainability at the global and national levels and the increasing importance to our stakeholders, i.e. customers, investors and employees. Leadec is dedicated to taking leading action in sustainable development. We at Leadec want to use the opportunities of sustainability to increase our company's and our stakeholder's success, counter risks and make a positive contribution to the local communities where we operate. We strive to support our customers in becoming more sustainable through offering environmentally friendly services that add value.



## Sustainability governance structure

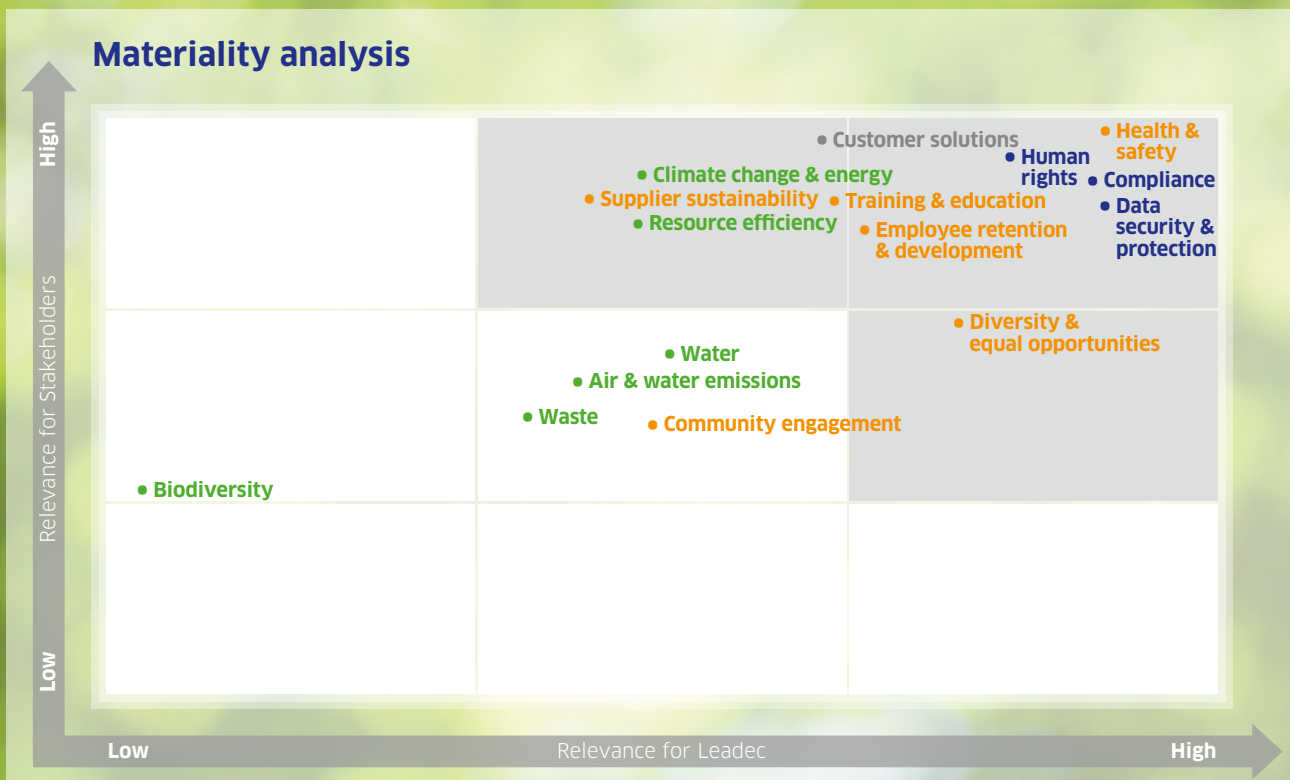
Sustainability is ensured by integrating it into all divisions and aspects of our business function, supported by a global network comprising Senior Managers, a Sustainability Team as well as Global and Divisional Health & Safety Managers.



# Leadec's sustainability priorities

Within the framework of our strategic commitments, we identified our priority sustainability issues. An issue is material to Leadec if it meets two conditions. Firstly, its impact on our business, people and the environment, secondly, its importance to our stakeholders. Based upon our sustainability priorities we have defined our 2025 sustainability goals.

Strategic commitments	Taking care of our employees and society	Managing our environmental impact	Maintaining integrity	Adding long-term customer value
Sustainability priorities	<ul style="list-style-type: none"> <li>• Health &amp; safety</li> <li>• Diversity &amp; equal opportunities</li> <li>• Supplier sustainability</li> <li>• Training &amp; education</li> <li>• Employee retention &amp; development</li> </ul>	<ul style="list-style-type: none"> <li>• Climate change &amp; energy</li> <li>• Resource efficiency</li> </ul>	<ul style="list-style-type: none"> <li>• Compliance</li> <li>• Data security &amp; protection</li> <li>• Human rights</li> </ul>	<ul style="list-style-type: none"> <li>• Customer solutions</li> </ul>



# Sustainability goals

Based upon our identified sustainability priorities we have defined our 2025 sustainability goals and aligned these with the United Nation Sustainable Development Goals (UN SDGs). Leadedc's 2025 sustainability goals will drive forward our strategic commitments, ensure we seek to continually improve and contribute to sustainable development.

## Taking care of our employees and society



### Health & safety



We want to establish safe and healthy workplaces for our employees and customers

#### We want to reach

**<1.5** recordable accidents cases per million hours worked

**<1.0** lost time injuries per million hours worked

**Zero** fatalities is our long-term goal

#### Improve reporting of near misses

**1** report per employee per year

#### Reduce risk from high hazard operational procedures

**3** H&S control measures implemented for each of our top 5 health & safety hazards per operating unit

### Employee development & diversity



We will provide development opportunities for employees and treat all employees fairly

#### Improve gender diversity

**30%** women in corporate leadership positions

#### Provide

**Training & development** to provide opportunities and ensure the continued development of our employees

### Supplier sustainability



We want to promote sustainability throughout our value chain

#### Promote sustainability

**100** top suppliers commit to principles within the Leadedc supplier sustainability policy including environment, health & safety, human rights and working conditions



# Managing our environmental impact



## Carbon efficiency



We want to reduce our energy consumption and carbon footprint

### Reduce our carbon footprint

**-15% CO<sub>2</sub>** emissions relative to total output

### Reduce forklift fuel consumption

**50%** of gasoline forklifts replaced with electric driven forklifts

### We want to reach

**65%** total electricity from renewable sources

## Resource efficiency



We will reduce waste and use resources efficiently

### Reduce consumption of non-biodegradable chemicals

**-75%** purchase volume relative to total output

Contributing to reducing packaging waste, water use and water pollution

# Maintaining integrity



## Compliance



We want to ensure compliance with the law and build trust with all stakeholders

### Maintain compliance training rate

**>90%** employees trained on topics such as: Data Protection, Anti-Bribery, Cyber Security, etc.

## Human rights



We support the protection of internationally proclaimed human rights

### Strengthen human rights

**>90%** employees trained on relevant human rights topics e.g Modern Slavery

# Adding long-term customer value



## Customer focus



We want to strengthen customer relationships and provide services that meet our customers needs

### Maintain contract renewal rate

**>90%** contract renewal rate of customer base

### Support customers in becoming more sustainable

through **environmentally friendly services**



# Taking care of our employees and society

## Health and safety

Safety is a top priority at Leadec. Our global “Safety: It’s Your Life” initiative integrates safety into our company culture, operating processes and management systems. Our team of health & safety managers in combination with our site and operations teams proactively control risks by recognizing the circumstances that place people at risk and by taking corrective actions. We focus on prevention to avoid serious injuries and fatalities, providing employee training, conducting safety walks, audits and regularly inspecting equipment to ensure safety standards.

We commit to achieving a long-term target of under 1.5 accidents per million hours worked. To encourage leadership on health & safety we link executive, senior manager and site manager remuneration to performance against this safety target.



## Case study:

### Focusing on key hazards, high-pressure water jetting

Our technical cleaning services involve the use of high-pressure water jetting, exposing employees to hazards such as water jets piercing the skin, noise exposure and flying debris.

Our UK operations are a certified member of the Water Jetting Association (WJA). As a result, Leadec has reinforced all personal protective equipment (PPE) requirements in our water jetting operations and all supervisors operatives have received WJA safety awareness training.

#### Our key health & safety hazards

Confined  
spaces

Working at  
height

Hazardous  
energy

High-  
pressure  
water jetting

Mobile  
equipment  
use

#### How we will achieve our goals

- Strengthen employee health & safety awareness and training
- Define safety standards for business critical operations
- Strengthen risk awareness and focus on prevention of key hazards
- Share global experience and information exchange
- Introduce digital solutions and applications to further increase safety, e.g. augmented reality





# Employee development and diversity

Leadec will invest in its employees and foster continuous learning. We will ensure that we have the skills needed to keep up to pace with the technological change, customer and quality requirements in the industries we service. Demographic change necessitates that we monitor and adapt our workplace conditions to better accommodate an ageing workforce. In addition, Leadec will increase our attractiveness as an employer and seek long-term retention of qualified employees.

Leadec is committed to equal opportunities. We recognize that a diversity of backgrounds and experiences makes us better able to understand the needs of our employees and customers.



## Case study: Best employer award

In 2018 and 2019, Leadec received the “China Best Employer Award”, ranking us as one of the top 30 companies to work for. A leading career platform in China, awarded Leadec the winner in the Industrial Services category based upon a survey of 6,000 employees in 180 companies across Asia.

### How we will achieve our goals

- Enhance the Leadec training campus to offer increased workplace-specific trainings
- Continue strengthening our employee branding
- Employee engagement
- Employee and leadership training, e.g. training on digitalization related to Leadec’s services

# Supplier sustainability

Our supplier sustainability policy and code of conduct sets out our minimum requirements for environmental management, health & safety and human rights. We will promote sustainability in our supply chains and ensure sustainability is incorporated into our procurement.

### How we will achieve our goals

- Ensure our 100 Top Suppliers commit to Leadec’s supplier sustainability policy and code of conduct.

# Managing our environmental impact

We want to keep our environmental impact to a minimum. This not only helps to protect the environment, mitigate climate change, use resources efficiently and contribute to the circular economy but also makes us more competitive, efficient and better at value creation and managing risks.

## Fleet and fuel management

Fuel consumption is one of the biggest contributors to Leadec's carbon footprint. We seek to reduce the carbon emissions of our fleet by choosing fuel-efficient, electric and plug-in hybrid vehicles where possible. In addition, we consider fuel efficiency when matching commercial vehicles to services and are planning to complement this with fuel efficient driver training and optimizing logistical route planning.











## Resource efficiency

Cleaning fluids represent a significant portion of Leadec's resource usage. Through improvements in employee training, cleaning techniques and correct dosing we have been able to reduce consumption of cleaning fluids. Leadec's metal fabrication services utilize steel and aluminum as resources. At the design stage we ensure materials are used efficiently by reusing off-cuts and any remaining metals recycled to reduce our carbon impact. The digitalization of our business processes will also enable us to reduce our resource usage. Leadec will now assess all waste streams generated and review all options for reducing, re-using or recycling waste.

### Renewable energy:

In 2019, 45% of our electricity consumption came from renewable sources

### Carbon reductions:

In 2018, the UK reduced CO<sub>2</sub> emissions by 5% through driver training

### How we will achieve our goals

- Reduce carbon emissions by increasing number of low emission vehicles in fleet
- Increasing share of renewable energy purchased
- Increase the proportion of biodegradable cleaning fluids utilised and train staff on resource efficient methods

# Maintaining integrity

## Ensuring compliance with standards

We commit to working with our customers and colleagues honestly, respectfully and ethically. Leadec does not tolerate bribery and corruption in any form and in 2019, there were no recorded instances of bribery and corruption at Leadec. Leadec is compliant with all data protection principles as set out in the General Data Protection Regulation (GDPR).

### Key topics in the Leadec Code of Conduct

Human rights & equal opportunities	Bribery & corruption	Cooperation with business partners
Data protection	Protection of assets	Avoiding conflicts of interest
Insider knowledge	Quality	Safety, health, environment and sustainability

## Human rights

We support compliance with human rights and commit to the prevention of human rights violations in all aspects of our business operations and supply chain worldwide. Our group code of conduct expresses our respect for human rights and labor laws worldwide. In addition, Leadec respects and follows the legal reporting requirements of the UK Modern Slavery Act.

### How we will achieve our goals

- Utilize e-learning to train employees on relevant human rights topics e.g modern slavery
- Ensure our top 100 suppliers commit to human rights and national laws



# Adding long-term customer value

Leadec provides a number of services to help our customers enhance their efficiency and sustainability, whether this be through our energy management services, managing zero waste to landfill projects, installation of energy efficient lighting, wastewater treatment services or caring for green spaces.

## Sustainability focused services

Waste  
management

Green space  
maintenance

Energy  
management

Water and  
wastewater  
treatment

Noise  
monitoring





# Reporting on what matters

## Environmental

51 million kWh

Total energy use

23.2 million kWh

Energy use from fuel

14.7 million kWh

Natural gas consumption

5,589,939

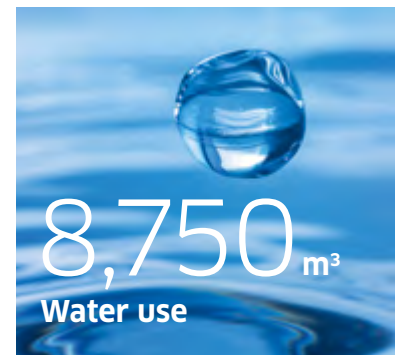
kg CO<sub>2</sub>-eq  
GHG emissions scope 1



All data represents 2019.

7,306,180

kg CO<sub>2</sub>-eq  
GHG emissions scope 2



2,606 tonnes

Total waste

672 tonnes

Hazardous waste

1,934 tonnes

Non-hazardous waste

70% Sites

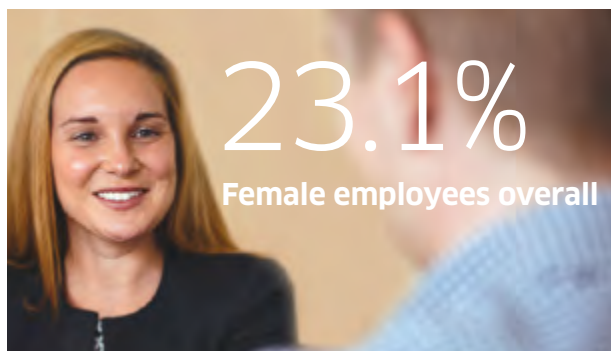
ISO 14001 certification\*

## Social

### Health & safety



### Employee Data



18.4%

Women in corporate leadership positions

## Governance

90.2%

Anti-bribery training\*\*



81.5%

Cyber security training\*\*

\* by turnover

\*\* global relevant employees trained

We are working on extending the scope of our reporting  
therefore this data is subject to change.

Data represents 2019.

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