



We think ahead.
Sustainability.

Building a sustainable business for Leadec

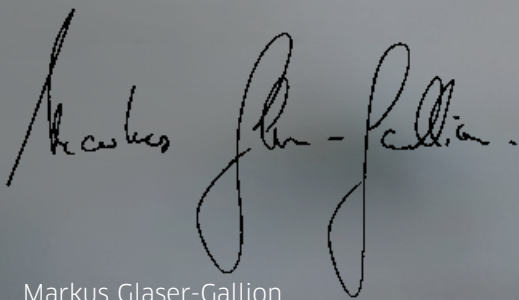
There are multiple ways to measure the success of a company – from profits to growth to brand recognition. But something that is becoming increasingly important today is building a sustainable business. Investing in our employees, ensuring compliance with new regulations and standards as well as managing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

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 measures to delivering sustainable growth torpedoes our value of becoming leading-edge, to excel in order to make Leadec a desirable place to work and a desirable service provider to employ.

I want our employees to feel the company is doing right by them, by the customers and by the communities we interact with. 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". The signature is fluid and cursive, with a long horizontal line extending from the end.

Markus Glaser-Gallion
CEO Leadec Group

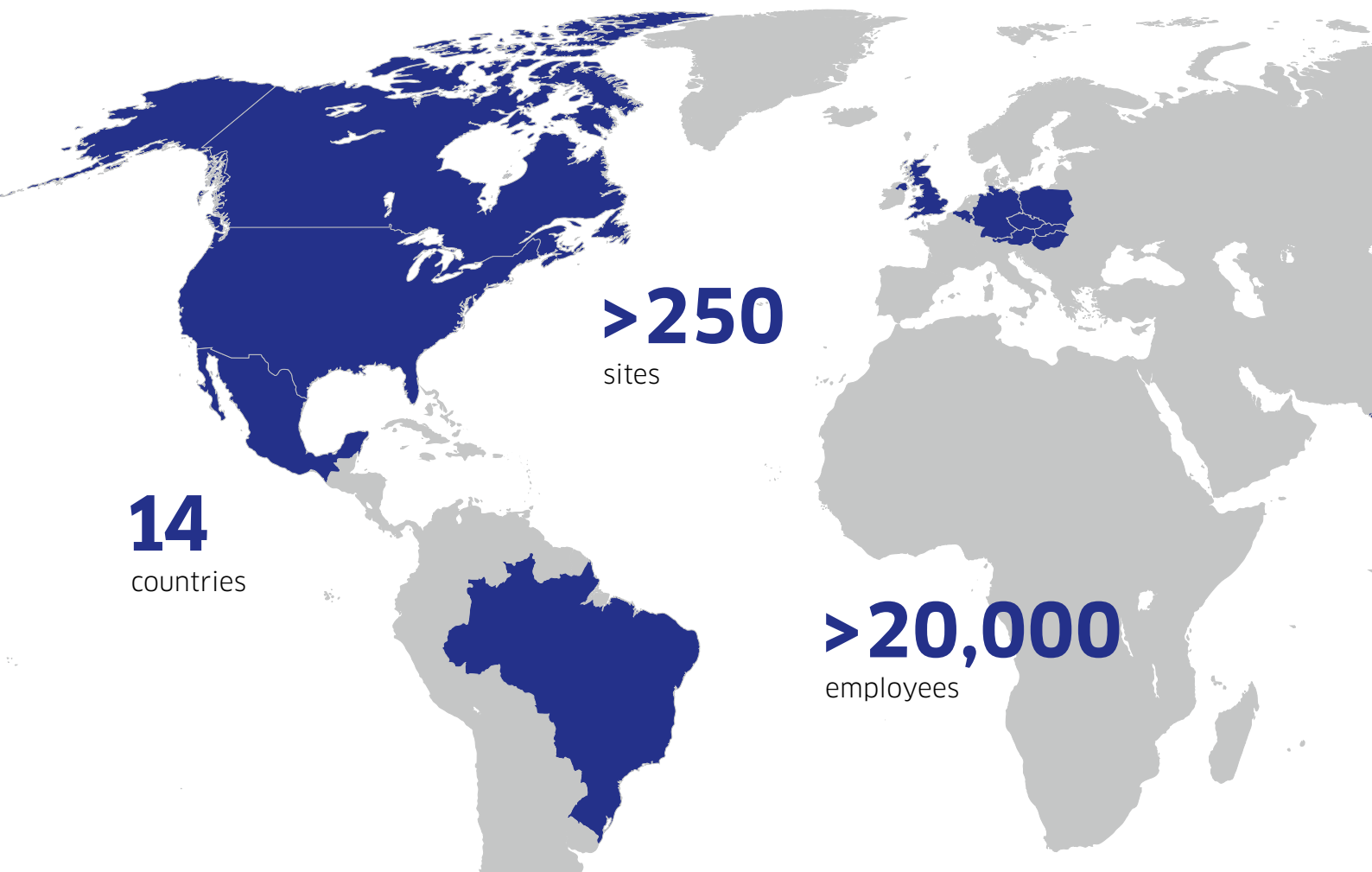
“By building a sustainable business, we add value for our customers. We always play it safe.”



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 proved we will meet the highest standards of quality, efficiency and safety in manufacturing. Customers from other industries, such as line and machine building, electronics, white goods electrical equipment and aerospace 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 250 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, 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.



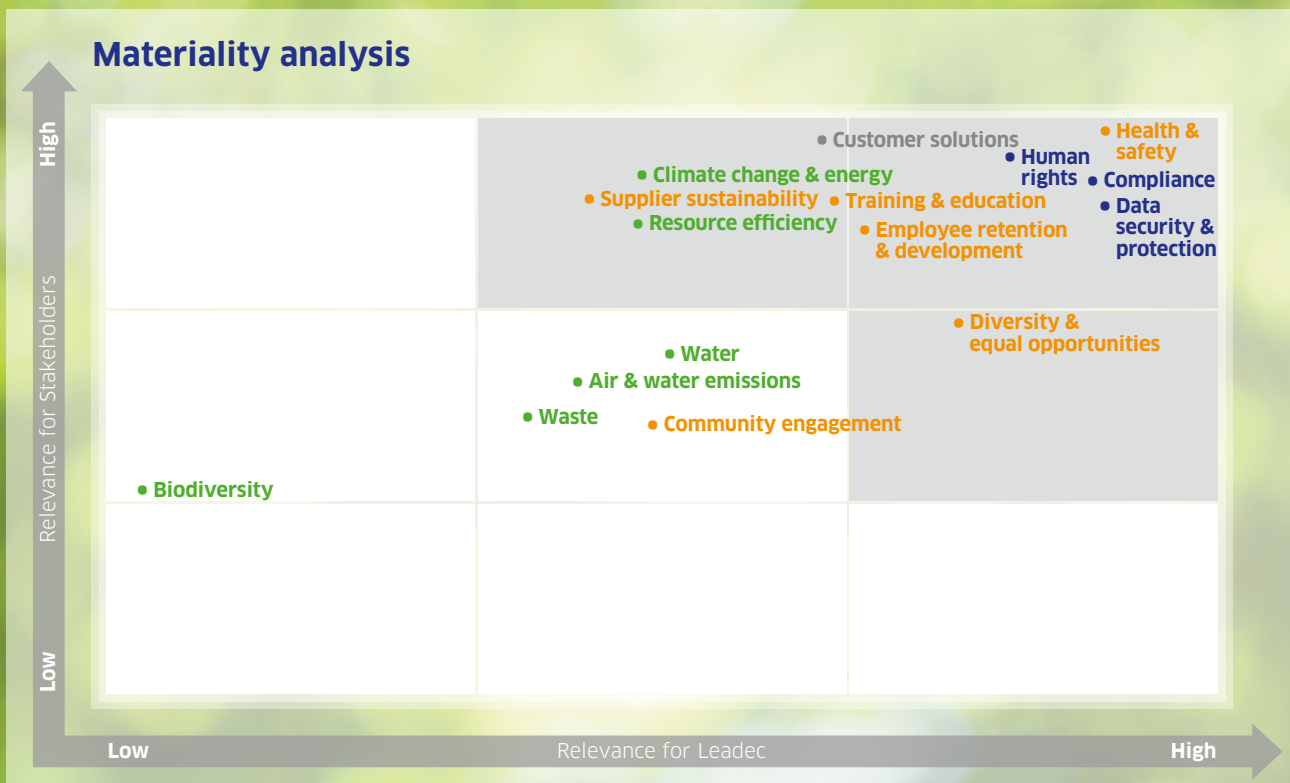
Sustainability governance structure

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

Leadec's sustainability priorities

In 2018, 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"> • Health & safety • Diversity & equal opportunities • Supplier sustainability • Training & education • Employee retention & development 	<ul style="list-style-type: none"> • Climate change & energy • Resource efficiency 	<ul style="list-style-type: none"> • Compliance • Data security & protection • Human rights 	<ul style="list-style-type: none"> • Customer solutions



Sustainability goals

Based upon our identified sustainability priorities we have defined our 2025 sustainability goals. Leotec's 2025 sustainability goals will drive forward our strategic commitments and ensure we seek to continually improve.

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 opportunities for our employees

Supplier sustainability



We want to promote sustainability throughout our value chain

Promote sustainability

100 top suppliers commit to the Leotec supplier sustainability policy

Managing our environmental impact

Carbon efficiency



We want to reduce our energy consumption and carbon footprint

Reduce our carbon footprint

-15% CO₂ 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

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 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.

In March 2018, our UK operations became a certified member of the Water Jetting Association. As a result, Leadec reinforced all Personal Protective Equipment (PPE) requirements in our water jetting operations, all supervisors and operatives received WJA safety awareness training.

Our key health & safety hazards

Confined
spaces

Working at
height

Hazardous
energy

High-
pressure
water jetting

Cutting
Equipment

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 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 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.

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, 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 reducing our carbon impact, with off-cuts reused and any remaining metals recycled. 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 CO₂ 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
- Review waste streams and identify further opportunities for reduction, reuse and recycling

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 2018, 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



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 and 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

58 million kWh

Total energy use

23 million kWh

Energy use from fuel

21.4 million kWh

Natural gas consumption

5,196,632

kg CO₂-eq

GHG emissions scope 1



All data represents 2018.

10,353,408

kg CO₂-eq

GHG emissions scope 2



3,289 tonnes

Total waste

697 tonnes

Hazardous waste

1,943 tonnes

Non-hazardous waste

63% Sites

ISO 14001 certification*

Social

Health & safety

2.1

Lost time injury
frequency rate



Employee Data

22.85%

Female employees overall



Governance

90%

Anti-bribery training**

70%

Data protection training **

63%

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 2018.

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