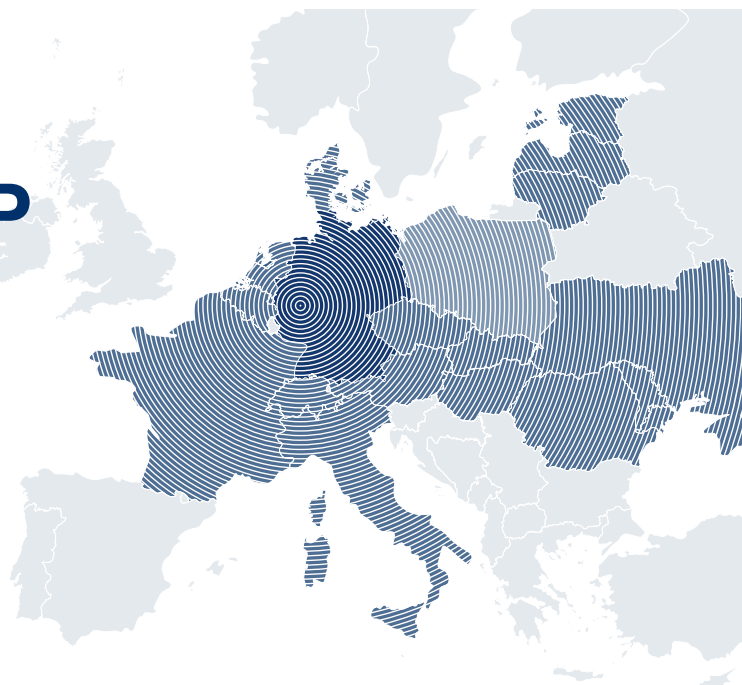


SCALING UP SUCCESS

LEIFHEIT



Sustainability report
2021

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Non-financial
declaration

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The Leifheit Group's sustainability report is addressed to customers, business partners, shareholders, employees, as well as all other stakeholders who are interested in our company's values and principles. Our sustainability report covers Leifheit AG and the companies controlled by it. Deviations are noted accordingly.

As part of this sustainability report, the Leifheit Group has prepared a separate non-financial Group report for financial year 2021 as defined under sections 315b and 315c of the German commercial code (HGB) in conjunction with 289c to 289e of the German commercial code, which is publicly available on the Leifheit website. This report was not subject to an external audit. The 2021 consolidated financial statements of the Leifheit Group and the corresponding combined management report, as well as the separate financial statements of Leifheit AG, were audited by KPMG AG Wirtschaftsprüfungsgesellschaft.

Leifheit does not use any nationally or internationally propagated sustainability reporting framework for the separate non-financial Group report. However, we use the criteria stipulated by the German Sustainability Code and the standards of the Global Reporting Initiative (GRI) as a frame of reference. As a long-established, globally active company, Leifheit is committed to acting in a socially and ethically responsible way. Consequently, Leifheit's business practices are based on integrity, honesty, fairness and compliance with current laws. We have enshrined this fundamental approach in our [> Code of Conduct](#). Our principles are consistent with the Business Social Compliance Initiative

(BSCI), the Conventions of the International Labour Organization (ILO), the United Nations Universal Declaration of Human Rights, the UN Convention on the Rights of the Child, the UN Convention on the Elimination of All Forms of Discrimination against Women, the Principles of the UN Global Compact and the OECD Guidelines for Multinational Enterprises.

Against the background of the EU Action Plan on Sustainable Finance, the EU Taxonomy Regulation ("Taxonomy Regulation") entered into force in mid-2020, setting out a uniform and legally binding classification system under which economic activities are considered "environmentally sustainable" in the EU. The results of this classification for the Leifheit Group in financial year 2021 are disclosed in this sustainability report. [> EU taxonomy](#)

Materiality

In 2017, we initially held an internal workshop to define the focus of our sustainability concept with the goal of recording the sustainability aspects from our strategy that we deemed relevant, as well as stakeholder interests and demands. In a second step, the identified topics were additionally subjected to a materiality review in accordance with section 289c (3) of the German commercial code. Since then, this assessment has been validated annually, most recently at the end of 2021, as part of an internal workshop attended by the members of the Board of Management and representatives of the management team from HR, Finance and Corporate Communications.

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Non-financial topics are deemed to be material within the meaning of section 289c of the German commercial code if they have a major impact on CSR aspects (environment, employees, human rights, social issues and anti-corruption) and are relevant to the company's business activity (business performance, outcomes, situation). Our customers' trust and satisfaction, an efficient value chain, and dedicated and highly trained employees are material to the Leifheit Group's business success. We have identified the topics for the non-financial Group report against this background.

Non-financial report index

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The portions of the non-financial Group report in accordance with sections 315b, 315c of the German commercial code in conjunction with section 289c et seq. of the German commercial code in this report are marked with a vertical line. In this sustainability report, we also describe measures and initiatives by the Leifheit Group

that demonstrate our wide-ranging commitment to corporate responsibility. Specifically, although respect for human rights in the supply chain is not materially relevant for the assessment of the Group's net assets, financial position and results of operations, we comment on this outside the non-financial report. > [Human rights](#)

External links guide readers to websites with further information that is not part of the non-financial Group report.

Responsibility within corporate management

The Board of Management bears the ultimate responsibility for sustainable conduct. It defines the strategic focus of the Leifheit Group. Within the Board, the Chief Executive Officer (CEO) is responsible for matters related to corporate social responsibility (CSR).

Those in charge of the operational areas are responsible for implementing strategic measures in day-to-day business operations. Sustainability topics are not isolated in a separate department. Instead, they are conceptualised and handled in business processes. Sustainability reporting is handled by a staff unit headed by the CEO that coordinates the reporting process in close cooperation with the employees of various different operational areas.

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Our business model

The Leifheit Group is one of the leading European brand suppliers of household products. The company offers high-quality and innovative products and solutions that make everyday life at home easier and more convenient.

The Leifheit Group divides its operating business into the Household, Wellbeing and Private Label segments. Our core business consists of the Household and Wellbeing segments with the Leifheit and Soehnle brands – two of Germany's best-known brands in our market. Our products in these segments are known for high quality in connection with great utility for consumers. With our French subsidiaries Birambeau and Herby, we maintain a market presence in the Private Label segment through a selected product range that is primarily marketed as private-label brands.

We focus on core areas of expertise in the product categories of cleaning, laundry care, kitchen goods and wellbeing across all three business segments. Our biggest product categories are cleaning products, which account for around 40% of turnover, and laundry care products, at around 38%. In Germany and many European markets, Leifheit is among the leading providers of cleaning appliances, especially so-called floor wiper systems. We generate around 14% of Group turnover with kitchen products. The wellbeing category includes the Soehnle brand products and accounts for around 9% of turnover. Soehnle is the market leader for bathroom and kitchen scales in Germany. We gained market share in both product categories during the reporting period and hold a market share of 43% for kitchen scales and 29% for bathroom scales. Soehnle is also among the leading providers in other European countries.



1,080 employees

Present in
more than
80
countries



14
own locations
and branches

5
logistics and
production sites
in Europe

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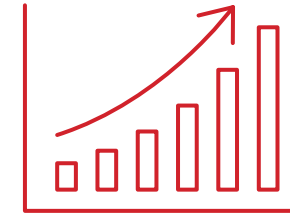
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The Leifheit Group employs some 1,100 people. Headquarters and management of Leifheit AG are still located in the place where the company was founded in Nassau/Lahn in the German state of Rhineland-Palatinate. We operate 14 locations and branches of our own, including five logistics and production locations in Germany, the Czech Republic and France. Manufacturing takes place at our own production plants, as well as at the facilities of suppliers located in various countries in Europe and Asia.

The Leifheit Group sells its products in more than 80 countries around the world. The key sales markets are our domestic market of Germany, accounting for a share of around 44% of turnover, and the countries of Central Europe, with a share of 40%. The sales and distribution region of Central Europe includes the Netherlands, France and Austria, for example. In the reporting period, we generated around 13% of our turnover in Eastern European growth markets, such as the Czech Republic, Poland and Slovakia.

We are focusing our sales and marketing activities on European target markets. In addition, we have intensified our distribution activities in the Asia/Pacific region since 2019. In other regions outside of Europe, such as in the US and the Middle East, we distribute our products mainly through distributors and conduct spot business if corresponding market opportunities present themselves. Non-European markets currently account for roughly 3% of Group turnover. Additional information can be found in the combined management report of the Leifheit Group in the chapter “Foundations of the Group”. > [Annual report](#)

+6%
turnover growth in 2021



+7%
EBIT increase
2021

m€ 288.3
Group turnover



m€ 20.1
Group EBIT

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For over 60 years, we have been helping to make everyday life at home a little easier and more convenient with our products. That is our mission. Through it all, our focus is always on the needs of consumers.

At Leifheit, multiple factors form the foundation for the further implementation of our business strategy: We have durable products that offer a high degree of consumer benefit and excellent quality, as reflected in excellent reviews. Many of our products regularly win top scores in tests by respected institutes. In 2021, Leifheit Group products again received ten certificates and awards.

At the same time, we are well positioned in many European markets thanks to our two high-profile brands, Leifheit and Soehnle. Another important factor for Leifheit is its employees. Their specific expertise and dedication help the company to achieve its goals and targets.

We aim to do an even more systematic and consistent job of building on our existing strengths – excellent products, strong brands and outstanding employees – to ensure sustained profitable growth going forward while also creating added value for consumers. For us, this means: **Scaling up Success.**



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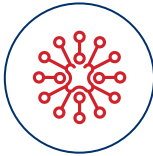
Scaling up Success: Strategic areas of action

Through our Scaling up Success growth strategy, we are addressing four strategic areas of action and using them to derive our areas of action for sustainability:



Exciting consumers

Consumers are at the centre of our activities. We offer them products of convincing, durable quality that make life at home easier and more convenient, along with best-in-class service and attractive value for money. To raise awareness of our brands and significantly strengthen trust in our products among consumers, we are making targeted investments in tested and scalable consumer advertising.



Expanding distribution

Our distribution activities focus on leveraging distribution potential within sales structures and attracting additional bricks-and-mortar and online retail partners, both nationally and internationally. Our investments in consumer advertising and our strengthened brands will help us in this process. In addition, we are helping to increase sales for our retail partners through joint marketing activities and POS campaigns.



Increasing profitability

We are focusing our activities on sustainable and profitable growth and are structuring our organisation accordingly. At the same time, we are reducing complexity and optimizing our cost structures throughout the value chain. In the process, we are sharpening our focus on our higher-margin, Europe-made core products. Through a focused approach to innovation, we are also gearing our research and development processes towards this goal.



Shaping culture

Our employees play a key role in the success of the company through their specific expertise and dedication. For this reason, we plan to continue boosting our attractiveness as an employer. We are investing in our employees' personal and professional growth and are providing opportunities for training and education. At the same time, we aim to create a "fun, fast, friendly and fearless" corporate culture in which we pursue our goals with joy, speed and boldness and act accordingly.

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4F Winning culture



Further developing our corporate culture into a “winning culture” is a key success factor in our Scaling up Success strategy.

Our goal is to foster an agile culture that is fun, fast, friendly and fearless. Our vision is for our employees to tackle the challenges they face with a sense of fun and friendliness, and with speed and confidence. This will help us tap into the full potential of the Leifheit Group even better in the future.



Fun

Generate positive energy. Make a joke, smile, laugh. Don't take yourself too seriously. Be optimistic. Visualise your goal. Concentrate more on opportunities than on issues. Find commonalities within the team and create a sense of cohesion. Be proactive and show initiative. Celebrate successes.



Fast

Time is our biggest bottleneck: focus on the essentials, not on what seems to be most urgent. Bias for action. Focus on the future and the big picture. Don't look for perfection. Test and scale up fast. Be laser-focused on the business. Don't play politics.



Friendly

Be tough on the facts, but respectful and appreciative to people. Try to understand first, then be understood. Forget your ego. View things from the other person's perspective. Give praise and be open to feedback. Don't point fingers or engage in destructive criticism. Don't bad-mouth others. Be friendly. Never raise your voice.



Fearless

Don't be afraid of bosses or committees. Take calculated risks. Take decisions based on facts and figures. Mistakes are ok – celebrate them. Leave your comfort zone and try out new things. Set big, inspiring goals for yourself. Stay hungry and always keep working to improve yourself and the company. The most important leadership quality for successful managers: create a fear-free organisation.

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What sustainability means to us:
Responsible actions toward the environment and people,
corporate integrity and durable, high-quality products



Environment

Durable, high-quality products that make life at home easier and more convenient

Efficient use of resources without sacrificing quality

European production and logistics footprint with close connections to our customers

Compliance with applicable laws and regulations in our production activities (WEEE, RoHS, REACH, PAH, Ecodesign Directive, etc.)

Strict environmental standards in our supply chain, laid down in our supplier code of conduct



Social

Fun, fast, friendly and fearless corporate culture

HR strategy geared towards employer attractiveness

Focus on employee safety and health

Welcome diversity and equality of opportunity

Fair and competitive pay, training and continuing education

Strict social standards in the supply chain, laid down in our supplier code of conduct

Giving back to society at our locations



Governance

Responsible corporate management and compliance

High transparency for stakeholders through quarterly reporting and regular news updates

Compliance management system (CMS), including guidelines and measures to ensure compliant and ethical conduct

Combating corruption and bribery as integral parts of CMS

Protecting personal data according to the high standards of the GDPR

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Strategic management of opportunities and risks serves as the basis for the value-oriented development of the Leifheit Group. We have therefore set up a risk management system that helps us to identify risks early on, analyse them and take suitable measures. More detailed information on the risk management system can be found in the combined management report of the Leifheit Group in the opportunities and risk report. > [Annual report](#)

The goal of our risk management system is to determine what adverse effects risks could have in defined risk areas, such as the business situation, net assets, financial position and results of operations, or our image. Risks are also analysed to determine whether they pose a danger to Leifheit as a going concern ("outside in" perspective). Sustainability aspects are also taken into account within the scope of Leifheit-specific risk areas:

- Management and organisation, including
 - Employees (availability, expertise)
 - Conduct (compliance, fraud)
- Environmental factors, including
 - Availability of resources, employees, raw materials
- Customers and markets, including
 - Customer satisfaction and customer loyalty
 - Image and reputation (including the observance of human rights)
- Innovations and product development, including
 - Innovation management
 - Product liability
- Operational performance processes, including
 - Environmental hazards and occupational health and safety

Since 2019, the risk management system has also recorded and evaluated non-financial risks associated with the company's business activities, business relationships and products that could have an impact on the following aspects specified in section 289c of the German commercial code ("inside out" perspective):

- Environmental issues
- Employee matters
- Social concerns
- Human rights
- Compliance (corruption and bribery)

In the reporting period, as in the previous year, no significant non-financial matters became known that result from the business activities of the Leifheit Group and that are highly likely to have, or will have, serious negative effects on the non-financial aspects presented in section 289c of the German commercial code.

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Dialogue with stakeholders is essential to responsible corporate governance. Leifheit therefore engages in constant exchange with all relevant stakeholders.

Our key stakeholders



**Consumers and
retail customers**



**Investors and capital
market participants**



Employees



Suppliers

We consider groups that have a material influence on the development of our company or are affected by the company's decisions to be stakeholders. We also communicate with the general public, by which we mean media, associations, initiatives, municipalities and civil society. Regular exchange promotes our understanding of the requirements and needs of all sides.

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Consumers and retail customers

Consumers are the most important target group and are at the centre of all our activities. We make targeted investments in consumer communications

and place great importance on professional and customer-centric consumer service. Through consumer research, we involve consumers in our product development process at an early stage. In addition, the analysis of product reviews on online portals gives us insights into how consumers perceive our products and our service. By closely interlinking our consumer hotline, the development team and quality management, we ensure that consumers' comments and criticism are taken into account.

Our websites > leifheit-group.com, > leifheit.com and > soehnle.com, as well as social media channels such as Instagram, Facebook, LinkedIn and YouTube, offer consumers various options for direct contact. These channels offer inspiring and interactive content with added value for consumers around all aspects of daily cleaning, laundry care and the modern kitchen. As in previous years, we gained additional followers in 2021. Our active Leifheit and Soehnle brand social media channels reached just under 67,000 followers in 2021, an increase of more than 6% year over year. In addition to our own channels, we are increasingly working with influencers with broad reach in the family, lifestyle, interior and kitchen categories to position our brands where the hottest action is.

We also encourage and maintain contact with our retail customers, with whom we aim to achieve a partnership guided by mutual success. Against this backdrop, we support our retail customers through a key account management approach centred on distribution channels and through our field sales teams and POS managers.



Investors and capital market participants

Open communication with institutional and private investors, as well as with financial analysts, is a matter of course for us. We aim to provide the

capital market with information about all relevant developments and events at our company in a comprehensive, prompt and transparent manner. We are guided in the process by the provisions of the German stock corporation act and capital market law, the recommendations of the German Corporate Governance Code and the more far-reaching transparency standards of the German stock exchange for the Prime Standard segment, where the shares of Leifheit AG are traded.

The Board of Management is in direct contact with analysts, investors and members of the press through analyst conferences and regular participation in capital market conferences, as well as one-on-one meetings. This was also the case at analyst and investor conferences, all of which were held virtually again in 2021 due to the COVID-19 pandemic. Shareholders and their representatives were able to follow the Annual General Meeting in June 2021, which was held virtually in the reporting period, via a livestream on the internet. Even though measures to protect everyone's health and safety made it impossible to arrange the usual face-to-face contact with the company, the Board of Management fully responded to the questions submitted in advance during the live stream.

When we relaunched the Leifheit Group website in early 2021, we modernised our Investor Relations section as well: > ir.leifheit-group.com. The new, clearly designed pages are more user friendly and offer new features. This section is where we publish all key information related to our shares, the strategy and the key financial figures of the Leifheit Group, as well as the financial calendar, financial reports, quarterly statements, press releases and presentations. Opportunities to contact the company are also available there for people who have questions or comments.

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Employees

Against the background of the COVID-19 pandemic, open and trust-based communication with our employees was once again of particular importance in the reporting period. The Board of

Management regularly explained the Group's current business situation and key decisions or strategic measures to the workforce in order to give them the greatest possible security in these uncertain times. In this context, internal communications continued to present challenges for us in the reporting period. For example, we were unable to hold any employee meetings again this year, and it was also impossible to implement supplementary formats for information and dialogue, such as the "Lunch and Learn" events, which are aimed at promoting exchange between employees from different departments. Instead, the Board of Management regularly issued letters and personal video messages to the workforce. During the pandemic, we successfully shifted to digital forms of working, and modern collaboration platforms have become the standard tool for our teamwork. During this reporting period, we also established a modern intranet as a new communication medium.

The annual appraisal meeting with direct supervisors continues to play a central role. Employees also have the opportunity to discuss their concerns with executives as senior as the Board of Management thanks to our "open door principle" – even in virtual form. We continued to implement agile working methods in the reporting period. They are meant to contribute to the transparency of targets, progress and results through a weekly objectives and key results (OKR) report that is addressed to the employees at our locations in Nassau, Zuzenhausen and Blatná. ➤ [Employee matters](#)



Suppliers

Trust-based cooperation with suppliers enables us to achieve technical developments that result in an innovative portfolio and long-lasting products.

Sustainability topics such as saving materials and reducing the use of raw materials are taken into account in the development phase. ➤ [Procurement](#)

In 2020, Leifheit AG established a revised supplier management concept and a new supplier relations management (SRM) system. This will also help us achieve our objective of ensuring that our social and environmental standards are accepted and implemented in our supply chain. ➤ [Human rights](#) We have therefore set out the requirements for our suppliers in a Code of Conduct ➤ [Suppliers Social Code of Conduct](#).

General public

We answer questions from relevant business, financial and trade media, as well as the local media, as part of an annual press conference, as well as in regular interviews and at press events. We are also in contact with various professional organisations and interest groups, such as the German Brands Association, the German parquet industry association (Verband der Deutschen Parkettindustrie) and the German investor relations association (Deutscher Investor Relations Verband – DIRK). We also engage in regular dialogue with communities and civil society at our locations and take their needs and concerns into account.

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Our brands

Our Scaling up Success growth strategy centres around the further expansion of our strategic core business involving the Household and Wellbeing segments.

By significantly strengthening consumer advertising, we intend to systematically develop the Leifheit and Soehnle brands, enhance their profiles and boost their competitive positions.

Leifheit – How housework’s done today

For more than 60 years, Leifheit has been one of the leading brands for household products in Germany and many European markets. Our aim is to offer product solutions in the cleaning, laundry care and kitchen goods categories under the Leifheit brand that are easy to use while delivering the perfect result. Outstanding functionality, durability and high quality – people across generations have associated these attributes with Leifheit. We will continue to focus on these values in future while positioning Leifheit as a modern brand that helps people in today’s ever faster-paced world by making housework easier and the home more attractive – so that there is more time for the important things in life. The claim “How housework’s done today” underscores this positioning.



Our brands



Soehnle – Passion for precision

Ever since it was first founded in 1868, the Soehnle brand has focused on precision, pronounced ease of use, innovative technology, excellent quality and durable design. Today – more than 150 years later – Soehnle is the market leader for kitchen and bathroom scales in Germany and is one of the top suppliers in Europe. Our strength is precise measuring, weighing and analysis. This is what our brand stands for. From scales to product categories such as air treatment, blood pressure monitors and the Soehnle Connect app, we draw on this expertise to specifically help people stay in shape and make conscious decisions to live healthier lives.

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Consumer at the centre

The consumer is at the centre of our Scaling up Success strategy, which we launched in 2019. We want to offer them excellent, long-lasting products of convincing, durable quality that make life at home easier and more convenient, along with best-in-class service and attractive value for money.

Consumers are therefore also at the centre of our marketing activities. To significantly enhance consumer awareness of our brands and products, we again invested heavily in TV advertising in Germany, Austria, the Netherlands, Belgium and other selected European markets in the reporting period. The TV advertising

focused primarily on our proven Leifheit bestsellers produced in Europe, such as the Profi XL and CLEAN TWIST cleaning systems and the Pegasus laundry drying rack, along with the Regulus Aqua PowerVac cordless vacuum wiper. The reporting period also marked the first time Soehnle scales were advertised on TV. We supported these activities with targeted online and offline advertising measures, as well as tailored POS and product presentation concepts for our retail customers. In addition, we again initiated a major print campaign for Soehnle kitchen scales in Germany. Ramped-up consumer advertising was a major driver of increased demand for Leifheit and Soehnle brand products.

Our most durable products. Good for the environment. Good for your home.

We have set the very highest standards for our products for over 60 years. That goes for quality and durability as well as functionality and the results they deliver for consumers. High-quality products and a long product life cycle are crucial factors in improving eco-efficiency.

As part of our campaign “Our most durable products. Good for the environment. Good for your home.”, we are working with a non-profit organisation called Stiftung Unternehmen Wald to plant one tree for every specially promoted Leifheit product sold between February and May 2022, with the aim of supporting reforestation efforts in our local communities. The campaign is focusing on four product lines that are emblematic

of superior quality and durability: the Pegasus line of laundry dryers, the Profi XL and CLEAN TWIST floor wiper sets and the Linomatic rotary dryers.

Stiftung Unternehmen Wald supports the development of forests that restore natural conditions as well as efforts to protect and conserve nature and promote sustainable development. Working with forestry experts, areas suitable for reforestation are selected and local tree species are planted there. The goal is to build stable, ecological forests that will be resilient as the climate changes in the future and meet the needs of people, animals and plants.



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Germany's best customer hotline

IMWF Institut | FAZ-Institut:
1st place



Our efforts toward quality in customer service are bearing fruit, as demonstrated by the fact that we again took first place in the "Germany's Best Customer Hotline" award in the household appliances segment in the reporting period. This award is presented by the IMWF Institut together with the FAZ-Institut.



Quality in customer service

Our goal is to be close to the consumer, to react to enquiries as quickly as possible and to understand the current needs of our customers. Increasingly, consumers are using social media platforms as a channel for interaction when they have questions or need help. We are constantly working to further improve our communication and our service. At the same time, our consumer service team works closely with the development department and quality management.

Our efforts aimed at quality in customer service are paying off, as shown by the outstanding ratings (4.84 out of 5 points) gained by our online shop on the Trusted Shops rating platform and by the fact that we were again named "Germany's Best Customer Hotline" by the IMWF Institut together with the FAZ-Institut.

Expanding distribution

We distribute our products through all relevant channels, from classic bricks-and-mortar retail to pure e-commerce. Our distribution activities focus on leveraging distribution potential within sales structures and attracting additional bricks-and-mortar and online retail partners, both nationally and internationally. During the reporting period, we were able to further expand our distribution in Italy and France in particular. Our strengthened investments in consumer advertising will help us in this process.

Particular focuses in the 2021 reporting period were the opening of a separate online shop for Leifheit and Soehnle products in Austria and preparations for the online shop in the Netherlands following the launch of our web stores in Germany in 2020.

> leifheit.com, > soehnle.com

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Awards for brands and products

For many consumers, seals of approval are an important source of information when it comes to judging product quality. We too examine the various test results extremely closely and initiate measures to improve our products if necessary. In 2021, we once again received ten certificates and awards for the innovation, user-friendliness or quality of our products.

For example, the compact Leifheit Nemo window and bath vacuum cleaner received not one but two prestigious Plus X Awards for high quality in conjunction with functionality and ease of use. In the kitchen products category, the Coco insulating bottle and Leifheit poultry shears scored superbly well with the testers from “Haus & Garten Test”.

Soehnle brand products also received positive test ratings again in 2021, along with various certification and recommendation seals. Above all, the Soehnle AirFresh Clean 400 air purifier won over the testers from “Haus & Garten Test”. This product removes allergens from the air and combats viruses and bacteria effectively. It emerged the winner in the tests, with an outstanding score of 1.6. In the bathroom scales segment, the Style Sense Bamboo Magic received a rating of “very good” from “Haus & Garten Test”. Thanks to the innovative design of this patented bamboo scale, the display does not appear until someone steps on. The waterproof Page Aqua Proof kitchen scale, which can simply be run through the dishwasher or cleaned effortlessly in running water, was also picked as a winner by “Haus & Garten Test”.

Maximum trust

DEUTSCHLAND TEST | FOCUS-MONEY:
1st place



When they buy our products, consumers place their trust in our brands, in the fulfilment of our brand promises and in the quality and durability of our products. In the “Maximum Trust” study conducted by IMWF Institute for Management and Economic Research on behalf of FOCUS-MONEY and DEUTSCHLAND TEST, we ranked first with the Leifheit brand in the household items category. The study analysed statements in the categories of reliability, recommendation, trust and quality for approximately 21,000 brands from various sectors and product groups.

Awards and certificates for Leifheit products¹

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¹ Selection for 2020 and 2021

² Tested on staphylococcus aureus bacterium as well as modified vaccinia virus Ankara with Micro Duo cover and Leifheit power cleaner (25 ml to 5 l water, water temperature 60°C).

³ Tested on modified vaccinia virus Ankara with Leifheit Universal Cleaner (5 ml in 500 ml, max. water temperature 60°C).

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Classic Extendable
230 Solid laundry dryer



Nemo window and
bath vacuum cleaner



Flip
thermal mug



Coco
insulating bottle



Poultry shears



¹ Selection for 2020 and 2021

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Style Sense bathroom scales



Style Sense Bamboo Magic bathroom scale



Shape Sense Control 200 body analysis scale



Airfresh Clean 400 air purifier



Page Aqua Proof kitchen scale



Page Profi kitchen scales



Systo Monitor blood pressure monitors



¹ Selection for 2020 and 2021

² Tested by the Institute of Fluid Mechanics and Aerodynamics at the Universität der Bundeswehr München; with aerosol particles (Ø 0.4 µm) in a room with a capacity of approximately 60 m³ at performance level 4.

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Innovation and product management

We aim to develop durable products and solutions that make consumers' lives at home easier and more convenient. Consumer-relevant products and solutions play an important role in the further organic growth of the Group. Our Scaling up Success growth strategy focuses on the development of innovations with unique consumer benefits and tremendous market potential.

Innovation strategy and product development process

The innovation strategy and product development process to achieve the growth targets comprise the following elements:

- focusing innovation resources on a limited number of major innovation projects
- intensifying consumer research in order to understand unsolved consumer problems and suitable and relevant potential benefits that are completely new for consumers
- upholding proven Leifheit strengths of excellent practicality and product durability combined with functional yet aesthetically appealing design as a foundation
- focusing on modular and platform systems to cover customer requirements more extensively and ensure efficiency
- introducing modern, agile working methods to do an even more targeted and efficient job of meeting consumers' needs

For hygienic cleaning:

Leifheit Regulus Aqua PowerVac cordless vacuum wiper



The Leifheit Regulus Aqua PowerVac cordless vacuum wiper vacuums and wipes at the same time, removing up to 99%¹ of relevant viruses.

In order to give consumers an even better understanding of the benefits of our products, we are intensifying our focus on developing and substantiating relevant and easily-understood claims, i.e. the key product benefits. For example, we were able to use scientific methods to prove that Leifheit's innovative Regulus Aqua PowerVac cordless vacuum wiper, which vacuums and wipes at the same time, can combat up to 99.99%¹ of relevant viruses. Similarly excellent hygiene performance was also achieved by other Leifheit cleaning products, such as the CleanTenso steam cleaner and the Profi XL floor mop. The Soehnle air purifiers have also been scientifically proven to provide effective protection against airborne viruses and bacteria. > [Annual report](#)

¹ Tested on modified vaccinia virus Ankara with Leifheit Universal Cleaner (5 ml in 500 ml, max. water temperature 60°C) in laboratory conditions.

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Durable products

We set high standards for our products. That goes for durability and quality, and above all functionality and the results they deliver for consumers. Many of our products work without electricity. As a result, our Leifheit rotary dryers and laundry drying racks are much more eco-friendly than electric dryers that consume electricity. If the use of electricity cannot be avoided, such as with our electrical cleaning appliances, we look – whenever possible – to efficient, energy-saving systems that can be powered with high-quality batteries instead of appliances that consume a great deal of electricity provided by mains.

A central aim is to manufacture long-lasting products, as a long product life cycle likewise markedly improves our products' eco-efficiency. We achieve this objective by ensuring the high quality, functionality and durable design of our products. As anchored in our strategy, we want to achieve this objective by ensuring the high quality, functionality and durable design of our products.

Stable, secure, durable:

Leifheit Pegasus drying racks



Leifheit Pegasus drying racks keep on holding long after others have buckled. Parallel legs mean the racks stand securely, indoors or out. And the laundry dries without any electricity at all.

Quality management and sustainability in product development

We provide durable, high-quality products. They should provide excellent benefits while also having a minimal impact on the environment – during production, in use and after disposal. We start laying the groundwork for achieving this goal while creating our products. Various company departments work efficiently hand in hand. Development and product management take an in-depth look at consumers' needs when it comes to their daily housework. They use this information to make potential improvements to existing products and assess opportunities for new solutions. On this basis, designers and developers work together on innovative ideas and new concepts. A network of international suppliers and innovation partners support us in implementing our ideas. Consumers, whom we involve in our product development process at an early stage by way of consumer research and usability tests, provide us with important feedback. Our expertise in design helps to ensure that our products are not only easy and convenient to use, but also aesthetically appealing to create a pleasant user experience in every regard.

Even after launch, we remain close to consumers and their needs. To this end, we rely on our consumer hotline and on evaluating product reviews and star ratings in online portals. Leifheit and Soehnle products generally achieve more than 4 out of 5 stars, which reflects the superb usability and quality of our products. At the same time, we examine the results of various test institutes and magazines.

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In 2021, as in past years, we once again launched innovative, high-quality products on the market that won awards for user friendliness, functionality and quality. One example is our new CLEAN TWIST M Ergo floor wiper system, which emerged the winner in testing by the highly respected “Haus & Garten Test”.

> Awards for brands and products

We are pleased that the complaint rate for our branded products remains low, averaging only about 1% in the reporting period. To calculate this key indicator, we compare the number of defective products returned to us by consumers in a given year against the number of products sold during the same period.

Incoming product complaints are analysed immediately by a standing quality control team. This team also monitors other quality and customer satisfaction indicators, such as user ratings on online sales platforms, and takes corrective action where necessary. All of these measures help us to constantly improve the practical utility and quality of our existing products while also quickly launching demand-driven innovations.

Leifheit takes sustainability aspects into account throughout the development process. At the beginning of the product development process, we define the requirements for the product in a detailed specification document. Sustainability aspects are also taken into account. During the development process, we perform Failure Mode and Effects Analysis (FMEA). Doing so enables us to assess whether all required aspects have been fulfilled through the specific product design and, if necessary, to make adjustments. Verification tests at the end of the development process ensure that the product truly meets all defined requirements.

We start laying the groundwork for conserving resources during production in the development and design phase. Our objective is to engineer plastic and metal pieces in a way that it is possible to manufacture them through an efficient use of materials and with a production set-up that uses as little energy as possible. Computer simulation programs help engineers design parts that are highly durable and as light and material-saving as possible, and assist in optimising the plastic injection process in a way that enables us to use injection moulding machines which are as small and energy-efficient as possible.

During the development phase, we also review the extent to which recycled materials can be used in production. For example, nearly all excess material, such as casting parts, is reused during the plastic injection moulding process. As a result, most of the plastic parts we produce are made up of roughly 5% to 15% recycled materials.

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We take steps towards conformity to ensure compliance with applicable regulations, guidelines and laws in the manufacturing of products, their use and subsequent disposal, including

- the European Directive on Waste Electrical and Electronic Equipment (WEEE),
- the relevant European directives and regulations on restricting the use of certain hazardous substances (RoHS, REACH, PAH, etc.) and
- the European Directive establishing a framework for the setting of ecodesign requirements for energy-related products (the Ecodesign Directive).

Product safety

It is our uppermost aim to rule out health and safety risks for consumers. We therefore test our products extensively. Independent testing institutes such as VDE, DEKRA or TÜV are also involved in the process. Many of our products undergo GS testing, for example. The globally recognised GS mark confirms that our products meet the quality and safety standards of the German product safety act (ProdSG).

As a result of our ongoing efforts and extensive measures to ensure product safety, we did not have any product recalls to report in 2021, as was also the case in the previous year.

Packaging

We want to make a contribution to sustainability in the area of packaging and logistics, as the growing trend towards online shopping is leading to a significant increase in packaging waste. The task of our packaging designers is to develop product packaging with the general proviso that it should be resilient

enough for direct shipping and therefore require no, or only minimal, additional material for transport. Our packaging also needs to fulfil several functions at the same time, such as product protection, transport and storage, as well as information and advertising.

During the reporting period, for example, we succeeded in meeting these requirements for the Leifheit Profi XL Micro Duo set for the online channel while also reducing the packaging weight for this product – and, with it, packaging waste – by around 45%.

Leifheit Profi XL Micro Duo floor wiper with divided handle Compact design saves on packaging



For the Leifheit Profi XL Micro Duo floor wiper, special care was taken to ensure efficient design early on during the product development process. This led to the use of a sturdy divided handle. The packaging encapsulates the components of the mop with as little air as possible, forming a single compact and transport-ready unit for e-commerce.

The product therefore needs less packaging and is more efficient to ship. When it comes to transporting large quantities, these small differences significantly reduce carbon emissions.

At the same time, the communication surfaces on the top and front sides and a fold-out standardised European slot for hanging permit variable product placement in-store. This means that the product packaging is ideal for the requirements of various retail channels and has a positive impact from a sustainability perspective.

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The Leifheit Group
has

5

logistics and production
locations in Europe.



The Leifheit Group has three production locations of its own. They are situated in Nassau (Germany, home of Leifheit AG), Blatná (Czech Republic) and La Loupe (France). Blatná is the Group's most important production site where the majority of our in-house production activities are concentrated. In financial year 2021, 53% (2020: about 52%) of the goods we supplied were manufactured using the Leifheit Group's own production capacities. We pay

attention to high levels of efficiency in production processes and in the use of materials and energy. With the help of lean management and the 5S methodology, we want to further improve our processes, reduce waste and make our value chain more efficient. At the same time, we are raising our production output to ensure sustainable growth.

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We also rely on a network of partners and suppliers, especially in Eastern Europe and Asia. Fast and efficient logistics are essential to the international growth of the Leifheit Group. Our central distribution centre in Zuzenhausen, with its logistics satellite in the Czech Republic (Blatná) and a logistics platform in Asia, as well as a location in Chablis, France, form the foundation for the efficient and on-time global distribution of our products.

Our organisational structures and SAP-based processes enable us to respond flexibly and efficiently at our production sites and logistics centres to market and customer demands. We are therefore equipped for further growth and can rise to the complex logistical challenges posed by the increase in digitalisation and e-commerce processes.

Procurement

In terms of procurement, we mainly purchase raw materials, components and merchandise held for resale, in addition to energy, freight and services. We draw on an international network of qualified supplier partners with the aim of a continuous, cost-optimised supply with a high level of quality. We have set down our requirements for our suppliers in terms of social and environmental standards in a code of conduct. > [Suppliers Social Code of Conduct](#)

In 2020, the impact of the COVID-19 pandemic on the global supply chain presented us with particular challenges in procurement management. The situation worsened in the reporting period, particularly in the second half of the year. In China, the authorities responded to renewed local outbreaks of the coronavirus with extensive quarantine measures that adversely affected the global

shipping trade. Then, in March, a container ship ran aground in the Suez Canal, blocking the most important maritime route for global trade for days. These logistical disruptions exacerbated global shortages and squeezes. In the Leifheit Group, this primarily affected procurement of plastics, steel and packaging along with freight and energy.

In spite of these tough overall conditions, we managed to safeguard our supply of key goods and services for the most part during the reporting period and contribute to the successful continuation of our growth strategy. This success is based on various factors, not least among them our strategy of maintaining long-term partnerships with our strategically important cooperation partners.

Logistics

The Leifheit Group's central logistics hub is the distribution centre in Zuzenhausen, in the north of the German region of Baden, where we employed 127 people at the end of 2021 (2020: 122 employees). In the reporting period, we helped to boost efficiency across many logistical processes at this location using the 5S lean methodology so as to meet the demands of the fast-growing e-commerce business in particular.

Increased direct-to-consumer deliveries as a result of the pandemic brought further growth in parcel volume. Other contributing factors here included our retail partners' stringent requirements for multichannel sales and distribution, along with rising turnover for our online stores in Germany and elsewhere in Europe. We handled this higher shipping volume efficiently thanks to optimisations and improved productivity.

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In early 2021, we completed the reorganisation of our outgoing freight portfolio by assigning European overland transport to two freight service providers with European network structures. This enables us to meet the growing demands on delivery performance in a cost-effective manner. Despite the challenges facing the global supply chain and the freight market, we were still able to ensure the quality and punctuality of deliveries to our customers during the reporting period.

We further expanded our use of pick-by-vision as part of augmented reality-supported picking and warehousing processes at the Zuzenhausen location in 2021. At the same time, we introduced this technology at our location in Blatná in the Czech Republic, where it also led to the expected increases in logistics efficiency and productivity.

The Leifheit Distribution Center Eastern Europe, which comprises 5,000 m² of logistics space, was opened at our Blatná location in 2016. This has created a highly efficient direct link between the Eastern European growth markets and production for the purposes of distribution logistics. As a result, we have shortened our delivery routes to customers and lowered annual CO₂ emissions.

The growing e-commerce business in Eastern Europe, direct delivery to end consumers by the two web stores in Poland and the Czech Republic, and the direct distribution of large-scale European campaigns have also been successfully expanded. We thus made further strides in integrating the Blatná production site into our European distribution logistics, which is an important pillar of our growth-oriented distribution concept.

We are also well established in the Asia/Pacific region thanks to sales activities in this region spearheaded by our distribution company Guangzhou Leifheit Trading Co., Ltd. and the establishment of a small logistics hub near Ningbo in eastern China in cooperation with a logistics service provider.

Manufacturing and production

In production, measures aimed at increasing resource efficiency help us to strengthen our competitiveness while also reducing the impact on the environment. Our goal is therefore to focus on lean and efficient production while also ensuring process stability and our ability to deliver. This is why we use lean management and the 5S methodology, and continually invest in the efficiency of our production plants.

This is especially true at our Czech location in Blatná, the largest plant within the Leifheit Group. Our subsidiary Leifheit s.r.o. employed 423 people there as at the end of 2021 (2020: 453). Measuring roughly 25,500 square metres, the plant in Blatná, Czech Republic, produces laundry dryers, cleaning appliances and ironing boards in particular.

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In the 2021 reporting period, we developed, commissioned and in some cases even completed capacity-boosting plant concepts for production. Our focus here was on the flexibility and universal usability of manufacturing cells, which is ensured primarily by using standardised high-efficiency robots. The compact structure of these units can significantly improve the productivity of space at the Blatná site. We expanded our core competency in injection moulding in a resource-efficient manner by using another multi-component injection moulding system and a large-scale machine to accommodate multi-cavity moulds operating synchronously. At the same time, we established universally usable integrated cell manufacturing for product platforms in the floor cleaning segment and efficient assembly and sewing units. Beyond that, we established an automated system that will be able to produce drying racks more efficiently and using fewer resources once it is commissioned in 2022. By implementing personnel development measures, we are aligning the skills of our workforce at the Blatná location to the specific requirements of automation and cell-based manufacturing and the processes involved.

Leifheit AG operates an injection moulding plant and a highly automated production line for rotary dryers in Nassau, Germany, with 59 employees (2020: 56 employees). Constant technical improvements to equipment and our employees’ outstanding professionalism and flexibility made it possible to once again produce large quantities at this location without any downtime during the reporting period.

Our subsidiary Herby, located in La Loupe, France, chiefly produces tower dryers, classic dryer racks and wall dryer racks for the Private Label segment. As at the end of financial year 2021, it had 69 employees (2020: 76 employees). The integrated manufacturing process includes metal forming, surface finishing and injection moulding.

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Environmental and climate protection, as well as ongoing improvements in resource efficiency, are important goals for Leifheit. When developing our products and operating our production plants, we ensure that the impact on the environment and climate is kept as low as possible and that our products make as positive a contribution to environmental and climate protection for our customers as possible. Every employee has a responsibility to use natural resources sparingly and to contribute to environmental and climate protection through their individual behaviour.

We expect the same from our suppliers. They are required to comply with current environmental legislation, as well as procedures and standards for waste management, the handling and disposal of chemicals and other hazardous substances, emissions and wastewater treatment. We pay particular attention to the protection and preservation of natural resources while also promoting environmentally and socially responsible production. We have laid down these requirements in our Code of Conduct for suppliers. We established our supplier relations management (SRM) system in 2020 with the aim of ensuring that all new suppliers confirm compliance with this Code of Conduct and therefore promote the acceptance and implementation of environmental standards in our supply chain.

Energy efficiency measures

A comprehensive DIN EN 16247-1 energy audit was carried out at our locations in Germany and Blatná in the Czech Republic in 2019 in accordance with the statutory provisions (sections 8 et seq. of the German act on energy services and other energy efficiency measures (EDL-G)). The next energy audit is planned for 2023.

The energy audits resulted in a variety of measures for reducing energy consumption that we are successively implementing at our locations in Nassau (Germany), Zuzenhausen (Germany) and Blatná (Czech Republic). They include

- switching the lighting in the office and production areas to energy-efficient LED technology in connection with a daylight-based lighting system controlled by sensors,
- reducing the amount of energy used for heating by renewing large glass facades in the plant area and in the canteen,
- reducing heat loss by way of double and high-speed doors, as well as adjustments to facility temperature,
- regularly inspecting and updating or replacing compressed air and heating systems and,
- raising awareness and training employees as part of our continuous improvement process with a view to energy efficiency, lighting and heat loss when setting machines, for example.

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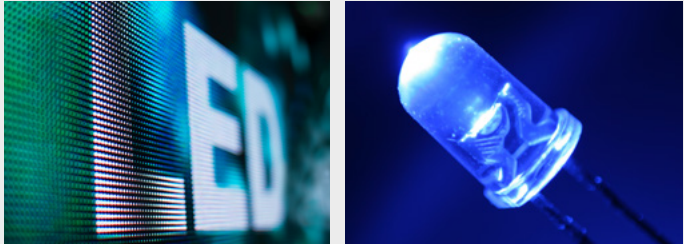
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The system technology in our production areas also undergoes regular inspections that focus on efficiency and sustainability criteria. Any measures to improve on these issues that are identified during the inspection process are systematically taken. In this context, we invested in nine new, energy-efficient hybrid injection moulding machines for plastics manufacturing in Blatná back in 2020. In the reporting period, two more new systems were added, including a fully electric injection moulding machine that is impressive in terms of both production and energy efficiency. Using larger machines with adjusted multi-cavity moulds allows us to reduce the total number of machines and tools in operation, conserving energy while also saving space.

Step-by-step implementation of lean production in the injection moulding and assembly segments has led to further significant reductions in trips to and from the warehouse. Closed-circuit cooling systems in plastics manufacturing at all our production locations also conserve water resources and ensure a high degree of energy efficiency.

We used 5S methods during the reporting period to identify and implement further measures that contribute to more efficient in-house supply logistics and greater availability, leading to a reduction in plant operating times. We will continue to implement these measures in 2022.

Energy-saving LED technology in use



In 2021 alone, our facility management team replaced over 900 conventional lights and bulbs at our Nassau, Zuzenhausen and Blatná locations with efficient and energy-saving LED technology. These measures will continue in 2022. LED light not only lowers energy costs – it also helps reduce CO₂ emissions. At the same time, LED technology improves illumination at our premises, thus improving the work environment and safety for our staff.

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Efficient use of resources without compromising on quality

One of our important strategic goals is a high level of efficiency in the value chain. In addition to efficient processes, the continuous improvement of resource efficiency in production plays an important role in this. This not only helps to protect the climate and the environment, but also saves costs and guarantees our competitiveness. We therefore emphasise the efficient use of materials in the manufacturing of our products in order to counteract the growing scarcity of resources and rising prices of commodities – something we already take into consideration during the product development phase. At the same time, it is of the utmost importance to us that we continue to live up to our high standards for product quality, functionality and durability.

Consumption data development

We are currently determining the consumption data for the following companies with important production and logistics locations: Leifheit AG in Germany, Leifheit s.r.o. in the Czech Republic and Herby Industrie S.A.S. in France.

Energy and electricity consumption

The bulk of our electricity consumption occurs in the production process during the processing of plastics; as a result, it should be viewed in relation to the utilisation of production capacity. Gas and heating oil are also consumed for heating purposes.

Total energy consumption in the 2021 reporting period was 40,961 MWh, an increase of almost 9% in absolute terms compared with the previous year. Total energy consumption per m€ 1 turnover thus rose by around 2% against 2020, but was still significantly below the level seen in previous years. Following the pandemic-related reduction in travel during 2020, fuel consumption grew slightly during the reporting period, but remained well below the pre-pandemic level. The increased use of heating energy is due to the relatively cool weather conditions and greater production activity in the reporting period.

The percentage of electricity from renewable sources depends on the electricity mix of our energy suppliers. In 2021, that figure stood at around 67% in Germany, as in the previous year. The calculations are based either on measurements or on the consumption bills from the utility companies.

Energy consumption within the organisation

Energy consumption		2018	2019	2020	2021
Fuel	MWh	2,262	2,142	1,672	1,933
Electricity	MWh	15,943	15,457	16,467	16,784
Heating energy	MWh	17,431	19,445	19,582	22,244
Total energy consumption	MWh	35,568	37,044	37,721	40,961
Energy consumption per m€ 1 turnover	MWh	152	158	139	142

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Water consumption

Water is used in production mainly for cooling during the injection moulding process and for cleaning metal parts in the powder-coating process. During the reporting period, optimisations were made in the cleaning process, leading to a reduction in water consumption by around 4% year on year. Relative consumption per m€ 1 of turnover decreased by almost 10%.

Water is sourced exclusively from municipal water supplies. Measurements form the basis of the calculations. The disposal methods are employed directly by the organisation or otherwise confirmed directly.

Water withdrawal

Water withdrawal		2018	2019	2020	2021
from municipal water supplies	m³	13,724	14,673	13,636	13,096
Water withdrawal per m€ 1 turnover	m³	59	63	50	45

Resource efficiency

In financial year 2021, we used a total of 18.9 kilotonnes of materials (2020: 18.7 kilotonnes) to manufacture our products. The majority comprise metals in the form of steel and aluminium, as well as plastic granulate and paper and packaging material. Consumables and supplies, in addition to electronic components, are used as well. Consumption rose by around 1% in the reporting period compared to the previous year. Relative consumption per m€ 1 of turnover declined by 5% due to the use of new injection moulding machines and process optimisations in production.

Materials used

Use of materials for manufacturing and packaging products		2018	2019	2020	2021
Raw materials	t	5	4	4	5
Consumables and supplies	t	53	44	45	47
Semi-finished products or goods	t	14,970	15,349	16,608	16,705
Packaging material	t	1,893	1,889	2,070	2,119
Materials used per m€ 1 turnover	t	72	74	69	66

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Amount of waste

Total weight of waste by type and disposal method

Type of waste	Disposal method		2018	2019	2020	2021
Hazardous waste						
	Landfill	t	82	47	55	69
	Incineration (mass burn)	t	0	0	0	2
Non-hazardous waste						
	Reuse	t	618	555	605	533
	Recycling	t	780	948	1,147	1,172
	Composting	t	134	187	184	144
	Incineration (mass burn)	t	296	374	394	412
	Landfill	t	21	37	22	19
Waste per m€ 1 turnover		t	8	9	9	8

In the reporting period, about 2.4 kilotonnes of waste were generated, a decrease of around 2% on the previous year. Waste in relation to m€ 1 of turnover declined by nearly 8%. Waste is recycled and reused to a large extent. In the reporting period, recycling and reuse accounted for around 73% of total waste, the same figure as the previous year. Only small amounts of hazardous waste are generated during the production process, and they are disposed of in line with statutory regulations at specified landfills or incinerated. No hazardous emissions occur during the manufacture of our products.

Dual system

The reuse and recycling of packaging as part of the dual system plays an important role in saving energy, resources and emissions. Recycling is geared towards harvesting secondary raw materials, such as plastic regranulate, that can be used to make new products. The use of secondary raw materials therefore saves primary raw materials such as mineral oil, thereby reducing greenhouse gases. Leifheit AG works with “Der Grüne Punkt” to recycle packaging within the scope of the dual system.

Employee matters

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HR strategy: focus on attractiveness to employees

Highly trained and motivated employees are essential to our ability to achieve our ambitious operating and strategic targets. Demographic developments and the associated increased shortage of highly qualified workers, which is particularly but not only noticeable where technical professions are concerned, are a key challenge. Our strategic HR work allows us to rise to the challenges presented by the labour market. We invest in our employees and provide opportunities for training and development.

One important success factor in our Scaling up Success strategy is further developing our corporate culture into a “winning culture”. Our goal is to foster an agile culture that is fun, fast, friendly and fearless. Our vision is for our employees to tackle the challenges they face with a sense of fun and joy, and with speed and confidence, as we want to leverage our company’s potential even better in future.

In the area of Operations and at its intersections, we give responsibility to teams across different disciplines and hierarchies with the help of tools for agile working.



1,080
employees



23
trainees

We are making a special effort to recruit and retain good staff in the long term. For example, we offer various opportunities for development, despite our relatively small company size and flat hierarchies. We aim to offer all our employees competitive remuneration and prize diversity among our staff. To ensure that all employees can perform to their full potential, we strive to create a safe and suitable working environment.

Employee structure of the Leifheit Group	31 Dec 2018	31 Dec 2019	31 Dec 2020	31 Dec 2021
Group	1,119	1,106	1,098	1,080
Household	905	906	914	907
Wellbeing	56	52	47	39
Private Label	158	148	137	134
Germany	420	413	403	412
Czech Republic	454	457	473	444
France	162	153	142	139
Other countries	83	83	80	85

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Characteristics of the Leifheit Group workforce		2018	2019	2020	2021
Average length of service in years		11.6	12.0	11.7	11.6
Age structure of employees					
under 30 years	in %	15	14	16	16
>30 to 40 years	in %	21	20	20	19
>40 to 50 years	in %	26	27	28	29
>50 to 60 years	in %	30	30	28	27
over 60 years	in %	8	9	8	9
Average age	in years	44	44	44	44
Percentage of women in the workforce	in %	50	50	49	49
Percentage of women at the first management level	in %	14	21	27	29
Number of trainees		29	34	31	23
Part-time employees		86	90	82	94

We allow for flexible working hours as well as the possibility of working from home for appropriate positions. Against the backdrop of the COVID-19 pandemic, we further stabilised the changes in our collaboration and procedures that we implemented in 2020, enabling many colleagues to work regularly from home. The successful shift to digital forms of work will offer many opportunities to motivate our staff and further improve our appeal as an employer even after the pandemic.

Protecting the workforce takes priority

We want to promote the health of our employees and help them sustain their performance in the long term. As in the previous year, the safety and health of our workforce were even more important in the reporting period than before due to the impact of the coronavirus pandemic.

At our locations we adopted a wide range of preventive measures to protect our employees, following, or frequently even exceeding, the recommendations and rules issued by the authorities. These included additional cleaning and hygiene measures, installing hand sanitiser dispensers, observing social distancing rules, wearing protective face masks, separating groups of employees from different shifts and the flexible use of our Soehnle air purifiers. As far as possible, we are avoiding physical meetings and business trips that are not absolutely essential. We have even reduced visits by external guests to an unavoidable minimum. Employees who can work from home have been encouraged to do so. In the reporting period, we offered COVID-19 vaccinations to employees at our German locations through the company medical service.

Activities previously offered as part of the company health management scheme, such as a various sports programme or health days, remained on hold in 2021 due to the COVID-19 pandemic. Employee initiatives, such as taking part in company running events, were possible to a very limited extent in the reporting period.

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Lost time injury rate (LTIR) per 1,000,000 working hours	2018	2019	2020	2021
All regions	20.5	21.8	15.4	15.0
Germany	14.0	16.8	16.6	12.4
Czech Republic	19.0	22.1	15.8	12.5
France	41.7	33.6	10.7	32.8

The Leifheit Group's policies on occupational, health and fire safety are based on the high statutory requirements at our respective locations and the recommendations of employers' liability insurance associations.

When compiling information on accidents at work, we look at the following companies or locations with more than 50 employees: Leifheit AG in Nassau and Zuzenhausen, Germany; Leifheit s.r.o. in the Czech Republic; and Herby Industrie S.A.S., Birambeau S.A.S. and Leifheit-Birambeau S.A.S. in France. This scope covers approximately 95% of the Group's workforce. We take into account both employees and external staff bound by instructions.

When calculating the lost time injury rate (LTIR), we include work-related accidents that result in at least one day of absence from work and place them in relation to 1,000,000 working hours. An injury is considered a work-related accident if it arises from the type of work performed and occurs while performing said activities, including accidents on company premises and on business trips. Accidents that occur during the commute to and from work are not included. Incidents requiring first aid are usually not reflected in the calculations, as they normally do not result in an absence of more than one day.

The rate of absences due to work-related accidents was determined for the first time in the reporting period. It is calculated as the ratio of working days missed due to an accident compared to the target working hours. Across all locations, this rate was 0.3% during the reporting period. As in previous years, there were no work-related fatalities in the reporting period. The number of occupational illnesses stood at 1 (previous year: 2).

When compiling and reporting information on work-related accidents, we follow the respective statutory requirements. The legislation in the European Union corresponds to or goes beyond the Code of the International Labour Organization (ILO).

Diversity and equal opportunities

Leifheit aims for diversity in its workforce

The Leifheit Group is active in many different countries. Being open towards people from a wide variety of regions and cultures is therefore essential to our success. We foster a working environment that welcomes diversity so as to benefit from our employees' different personal abilities, talents and experiences. In doing so, we do not tolerate any kind of discrimination, and we are committed to equal opportunity, regardless of age, gender, religion, ethnic origin or sexual orientation.

As in previous years, no cases of discrimination in the Leifheit Group were brought to the attention of the ombudsman, the works council, HR management or via the Integrity Line in the reporting period.

Diversity management

Our diversity management focuses on three aspects of our workforce: gender, age structure and internationality.

01 Gender diversity

We try and ensure an appropriate proportion of women to men at the company. Their ratios as a percentage of the workforce are already balanced: In the reporting period, women accounted for 48.9% of the workforce at the Leifheit Group (2020: 48.7%). We also want to see the diversity of our workforce reflected at management level. However, our focus when hiring new employees is always on their individual qualifications, as well as their personal, social, business and methodical skills and abilities. After all, we aim to fill any vacancy with the best candidate.

As a listed company, Leifheit AG complies with the legal requirement that it set targets for the proportion of women on the Board of Management and at the top two management levels. Due to our flat hierarchies, we limit our targets to the level immediately below the Board of Management. The target for the proportion of women at this management level has been set at 14.29%. It was exceeded at year-end 2021.



49%

women
in the workforce

02 Age structure

Leifheit employs people from various age groups. We strive to achieve an appropriate ratio of trainees, young specialists and managers to employees who have been actively serving the company for many years. This healthy mix has many advantages: It is the basis for agility and the willingness to change within the organisation and for a culture in which ideas and innovative solutions can grow. At the same time, it is the key to the preservation of expertise and experience, as well as the successful transfer of knowledge.

The high number not only of young people who want to stay with the company after completing their training or internship, but also of long-serving employees, proves that Leifheit is an attractive employer capable of retaining people from different age groups.



11.6 years

average length
of service



33

different
nationalities

03 Inter- nationality

The Leifheit Group supplies its products to some 80 countries around the world. At the same time, the company employs people in nine different countries. As at the reporting date of 31 December 2021, our Group's workforce included 33 different nationalities.

Promoting internationality and cooperating across borders and cultures is fundamental to the successful expansion of our international business.

Fair and competitive remuneration

Leifheit aims to offer all employees fair and competitive remuneration. Pay is determined solely by function and qualification. The salaries of our senior executives contain fixed and variable components. The current remuneration structure at the company was developed in 2015 on the basis of a so-called global grading and is regularly updated. The global grading serves to systematically describe and evaluate individual positions within the context of the company structure.

Remuneration of the Board of Management and the Supervisory Board aims to support the successful development of the company in the long run. The remuneration of the Supervisory Board is set by the articles of incorporation of Leifheit AG. In addition to the reimbursement of expenses, and a flat rate for office expenses, the Supervisory Board receives fixed remuneration, attendance fees and short-term performance-related remuneration. The Annual General Meeting also resolved to give the Supervisory Board long-term variable remuneration within the framework of a long-term incentive programme (LTIP).

The remuneration system for the Board of Management consists of three components: a fixed basic remuneration component and two variable remuneration components – a short-term incentive (STI) and a long-term incentive (LTI). The [remuneration report](#) includes a detailed description of the Board of Management's remuneration system as well as of the Supervisory Board's remuneration.

Training and education

Competencies for a successful corporate culture

In 2015, Leifheit developed a competency model that defines the company's interdisciplinary, company-specific expectations of its employees and management personnel. The defined competencies provide guidance with regard to the required behaviour in daily working life and form the foundation on which cooperation at the company is built. They provide an important basis for the tools used in our HR work. The competency model is therefore an integral part of the regular performance review, the main tool of our HR development efforts. It helps us to identify and develop potential and talent.

In training sessions, management personnel and employees have learned how to use the competency model in performance reviews, especially at our German locations.

We promote the capabilities and expert knowledge of our employees at all Group locations. In financial year 2021, we invested k€ 194 (2020: k€ 278) in training. We draw on various HR development tools as indicated in the individual performance reviews. At our production site in Blatná, we trained employees in the reporting period specifically on the requirements of the automated systems and cell-based manufacturing, as well as on the associated processes.

Outstanding vocational training

As an employer, we also have a social responsibility to the regions with our locations and offer young people the opportunity of vocational training. At the same time, we find qualified junior staff for our company through the various training courses.

Our trainees should develop an understanding of interconnections and responsibility at an early stage. To achieve that, trainees are involved in cross-departmental projects that give them scope for independent action from the start of their training. The two most important of those projects are the so-called junior company and training marketing. The junior company is headed by six to eight trainees and is responsible for the business management of our plant shops. As part of their marketing education, the trainees independently manage our social media channels and join the vocational training management team in representing the company at the relevant trade fairs. This promotes and develops entrepreneurial thinking during training.

In the reporting period, we were recognised as one of Germany's best vocational training companies (Deutschlands beste Ausbildungsbetriebe) for the fourth time in a row. The award was based on a study conducted by IMWF Institut für Management- und Wirtschaftsforschung GmbH on behalf of DEUTSCHLAND TEST and the business magazine FOCUS-MONEY. We are very pleased to have been recognised this way once again. It confirms that we are on the right path with our vocational training concept.



> [Zuzenhausen trainee film](#)



> [Nassau trainee film](#)

A total of 23 young people were training as industrial clerks, IT specialists, graphic designers, warehouse specialists or specialists in warehouse logistics at the Leifheit Group's German locations at the end of 2021 (end of 2020: 31). The main reason for the year-on-year decrease was that some trainees took their final exams earlier. Of our 23 trainees, three completed a programme of dual training which combines work with studying for a degree. In the reporting period, we also supported ten (2020: 15) employees who were engaged in a part-time course of studies.

In 2021, we brought on board a total of ten young people (2020: seven) who successfully managed to complete their vocational training.



In 2021, we received the accolade „Germany's best vocational training company“ for the **4th time** in a row.



As part of our efforts to market our vocational training programmes, our trainees also presented the company at recruiting fairs.

Employee rights

In our Code of Conduct, we state that we will comply with legally defined employee rights and honour co-determination rights. We work with our employee representatives to ensure that applicable laws and regulations, collective bargaining agreements and works agreements are observed in the interest of employees. The German works constitution act (BetrVG) grants the works council in Germany co-determination or the right of participation in social, personnel and economic affairs. We also observe the applicable employee rights at foreign locations. Such rights in France and the Czech Republic are as strict as they are in Germany and, in some cases, even go beyond the requirements of German labour laws. The legislation in the European Union corresponds to or goes beyond the Code of the International Labour Organization (ILO).

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Social standards in the supply chain

Respecting human rights is a fundamental value for companies that do business ethically. Raw materials, semi-finished goods and finished goods are being traded on globalised markets. As a result, Leifheit also faces the risk of suppliers disregarding principles of sustainable corporate governance. We aim to ensure the acceptance and implementation of strict social and environmental standards in our supply chain. To this end, we have established requirements for our suppliers in the Social Code of Conduct, whose principles are consistent with the Business Social Compliance Initiative (BSCI), the Conventions of the International Labour Organization (ILO), the United Nations Universal Declaration of Human Rights, the UN Convention on the Rights of the Child, the UN Convention on the Elimination of All Forms of Discrimination against Women, the Principles of the UN Global Compact and the OECD Guidelines for Multinational Enterprises.

At Leifheit AG, we established a revised supplier management concept and a supplier relations management (SRM) system in 2020. This will help us achieve our goal of ensuring that no new supplier of direct material that goes into our products, or of goods purchased, is included in the supplier portfolio unless it has accepted and confirmed the Leifheit Social Code of Conduct. The agreement to comply with the Code of Conduct has been signed by all of Leifheit AG's supplier partners (2020: 92%).

Our French subsidiary Birambeau, which primarily offers products for private-label brands, joined the amfori Business Social Compliance Initiative (amfori BSCI). BSCI is a programme for the improvement of social standards in the global supply chain. At Birambeau we have established processes to ensure that only suppliers with an acceptable amfori BSCI audit result, meaning at least an audit result of A, B or C, are used for future procurement in defined high-risk countries. By the end of 2021, about 95% of Birambeau's current suppliers conformed to at least BSCI level C. Birambeau generally supports long-standing partners who are not yet BSCI-compliant in establishing measures to pass the audit, or it switches suppliers.

We examine social accountability aspects as part of factory audits of current suppliers. During the reporting period, we were able to perform audits of 33 of our existing suppliers (2020: 35), despite the restrictions brought about by the COVID-19 pandemic. The audits indicated that most suppliers were in compliance with social, occupational health and safety, and environmental protection standards. We generally audit new suppliers of production materials and goods purchased outside Europe before establishing business relations with them. Apart from performance, such audits also assess whether the criteria and provisions of our Social Code of Conduct are observed. We perform audits of our European suppliers on a selective basis, as we regard the risk of human rights violations here as extremely low. During the reporting period, as in the previous year, we audited 100% of all new suppliers.

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Donations and sponsoring at our locations

Leifheit is conscious of its responsibility as a company and as an employer. We feel a strong connection to the communities of our mostly rural locations. In many cases, we are a key economic driver in the communities. Our social commitment therefore focuses on our corporate locations where we hope to play a role in securing a sound and attractive environment. In general, donations are coordinated with the Board of Management before being granted.

Leifheit supports victims of the disastrous flooding on the Ahr river

We were deeply saddened by the disastrous flooding that took place in the summer of 2021. The Ahr river valley, which was especially hard hit, is only about 60 kilometres away from our company headquarters in Nassau. Because we are located in the same area and employees were affected by the disaster, either themselves or indirectly through relatives, friends and acquaintances, it went without saying that we would participate in aid efforts.

Consulting with helpers on the ground, we provided urgently needed cleaning equipment and other household items worth more than € 40,000 to the people affected and those supporting the clean-up operations. Employees of Leifheit who volunteered with the German government's Technical Relief Agency (THW), volunteer fire brigades or other aid organisations also received paid time off for the period they spent working in the flood-hit area and for the time needed to rest and recover and to comply with the German law on working hours.



The Country Manager of Leifheit Austria presents a donation cheque to the Sternstalerhof children's hospice.

Small projects with a big impact

We support local social, athletic and cultural projects and associations. Here, Leifheit regularly sponsors various activities on both a large and small scale. Potential recipients must have non-profit status to be eligible. For example, we again supported associations and organisations in our local communities during the reporting period by donating items and money, including a large cash donation presented by a group of colleagues to a children's hospice in Austria.

Another example of our regular activities is the holding of bazaars, which our trainees organise every year on behalf of social projects in the local area. Social competencies are not only a key element of the vocational training programme – such activities also allow our employees to represent Leifheit AG as a good neighbour and an important part of the community. This is why we also encourage our employees' initiatives. However, in the reporting period, as in 2020, activities which would normally take place, such as charity regattas and runs or the trainee social day, could not be held due to the COVID-19 pandemic.

Promoting education

We promote education and training at our production site in Blatná, Czech Republic, where we provide financial assistance to various schools, and at our headquarters in Nassau. Leifheit is a business partner of the Leifheit-Campus. The state-certified private grammar school opened in 2015 as the result of a private-sector initiative in reaction to the closure of local state schools. It offers secondary education and is open to all gifted young people, regardless of their parents' income. The G. und I. Leifheit Stiftung, a foundation that is financed by the legacy of company founder Günter Leifheit, is the school's largest sponsor. The partnership between Leifheit-Campus and Leifheit AG includes equipping the school with our products, organising joint annual competitions and providing opportunities to explore the company, as well as career guidance measures and presentations by our experts on appropriate subjects.

Taxes

Fair taxation is essential to a functional society. In our role as an international company, the Leifheit Group pays taxes in all countries where it operates and abides by applicable local tax laws. In particular, we pay corporation taxes, trade taxes, taxes associated with wages and salaries, customs duties and other taxes. We also withhold wage taxes and indirect taxes, such as excise duties and value added tax, and remit these to the appropriate authorities. Our aim is to comply with our tax obligations in a timely and orderly manner, and we report our taxes accurately in our annual financial statements and tax returns. > [Annual report](#)

The Group Chief Financial Officer (CFO) is responsible for the tax function within the Group. The CFO's tax-related duties are delegated to the head of finance at Leifheit AG. At the level of the subsidiaries, the commercial managers are generally responsible for the relevant tax matters.

In 2021, we paid m€ 5.1 in income taxes to authorities around the world (2020: m€ 5.2), including m€ 2.0 in corporation tax (2020: m€ 2.1) and m€ 1.6 in trade tax (2020: m€ 1.5) in Germany. Leifheit AG has been a major payer of trade tax at its German locations in Nassau and Zuzenhausen for many years.

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Compliance management system

Responsible corporate management

The confidence of our customers, investors and employees is key to our ability to achieve sustainable growth and to increase company value. We strengthen this confidence through responsible corporate management. Corporate governance and compliance are therefore high priorities at Leifheit.

The German Corporate Governance Code (Deutsche Corporate Governance Kodex – DCGK) describes compliance as the Board of Management's responsibility for ensuring observance of legal and company-internal requirements, and working towards adherence. Because the company must also comply with legal and administrative regulations regarding data protection, that subject is also covered by the section on compliance.

CMS aims to ensure behaviour in line with the regulations

Our compliance management system (CMS) includes basic guidelines and measures aimed at ensuring behaviour in line with the regulations at the company. It should assist our employees in observing the binding laws and regulations that apply to their work, along with recognised standards, recommendations and our own guidelines.

Behaviour in line with the regulations is both a key basic principle for Leifheit and the goal of commercially responsible conduct. The Board of Management and the management team of Leifheit are committed to compliance as a leadership duty. Operational responsibility (compliance officer) lies with the HR/Legal/IP division. Compliance risks are recorded in the scope of the risk management system.

Guidelines and measures

Our CMS includes guidelines and measures that reduce compliance risks and prevent violation of regulations and laws. Its principles and standards of conduct have been in place for years and are part of the day-to-day business routine. All compliance guidelines are available to Leifheit Group employees in at least German and English. The key guidelines are also available in Czech, French and Chinese language versions.

As part of their duty to set an example for others, Leifheit managers are instructed to impart and model the compliance policies for their employees. Managers are responsible for ensuring that our guidelines are followed.

In 2019, we also developed a concept that provides our employees with regular training on our compliance principles through online e-learning modules. Training activities are held on an ongoing basis. By the end of 2021, about 91% (2020: 93%) of the employees to be trained at the German locations had completed compliance training. The slight year-on-year reduction in the percentage of employees who received training was because not all new recruits were able to complete the training during the reporting period.

Whistle-blower system

We have established a whistle-blower system to give our employees and third parties the opportunity to safely pass on tip-offs to an ombudsman if they suspect or have evidence of potential legal violations at the company. An anonymous online communication platform, > [Integrity Line](#), is available to whistle-blowers, along with the option to submit reports to the ombudsman in person.

Compliance violations are not tolerated, and all indications of misconduct are followed up. Where applicable, findings are entered into our risk management system or our internal control and risk management system during the accounting process (ICS). Within the scope of the internal audit department, we initiate external audits of business processes at our locations at regular intervals.

As in the previous year, no compliance violations were identified at the Leifheit Group during the reporting period.

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Our guidelines

The following guidelines in particular serve as orientation for the Leifheit Group:

German Corporate Governance Code (DCGK)

The Board of Management and the Supervisory Board of Leifheit AG base their work on the DCGK. Our declarations of conformity have been published and are permanently accessible. Reporting on corporate governance is included in the declaration of corporate management in the annual report.

Leifheit competency model

Our competency model depicts our business-specific, interdisciplinary expectations of management personnel and employees. It includes personal, social, business and methodical skills that are crucial to collaboration and our company's long-term success.

Insider guidelines

Trade in stocks and the handling of insider information are subject to strict statutory regulations. Our insider guidelines provide an overview of how to handle insider information, the statutory provisions prohibiting insider trading, the unlawful disclosure of insider information, the consequences of such trading or disclosures and the insider list.

Standards for our suppliers

We lay down the standards for our suppliers in a > [Code of Conduct](#). The Code of Conduct is consistent with the Business Social Compliance Initiative (BSCI), the Conventions of the International Labour Organization, the United Nations Universal Declaration of Human Rights, the UN Convention on the Rights of the Child, the UN Convention on the Elimination of All Forms of Discrimination against Women, the Principles of the UN Global Compact and the OECD Guidelines for Multinational Enterprises.

Antitrust compliance policy

Leifheit believes in fair competition. Our stance against violations of antitrust law is also reflected by our antitrust compliance policy.

Leifheit Code of Conduct

Our employees are bound by the > [Leifheit Code of Conduct](#), which lays down basic rules governing social, ethically responsible and lawful conduct at the Leifheit Group, and addresses the following issues:

- laws and guidelines
- human rights and anti-discrimination
- occupational health and safety
- environmental and climate protection, and resource efficiency
- compliance with the Business Social Compliance Initiative, the Conventions of the International Labour Organization, the United Nations Universal Declaration of Human Rights, the UN Convention on the Rights of the Child, the UN Convention on the Elimination of All Forms of Discrimination against Women, the Principles of the UN Global Compact and the OECD Guidelines for Multinational Enterprises
- handling confidential information
- safeguarding the results of R&D activities and product safety
- accurate reporting
- capital market law, insider trading and market manipulation, fair competition, antitrust law and corruption
- whistle-blower system
- handling invitations, meals/hospitality and gifts
- dealing with conflicts of interest
- data protection

Data protection guidelines

Our data protection guidelines are intended to ensure that the requirements of data security and data protection are met, and that the rules of the German Federal Data Protection Act (Bundesdatenschutzgesetz – BDSG) and General Data Protection Regulation (GDPR) are complied with.

Combating corruption and bribery

Combating corruption and bribery is an integral part of our > [compliance management system](#).

Leifheit takes decisive steps against attempted corruption in all areas of business within the Group. Our > [Code of Conduct](#) obliges employees not to accept, offer or promise any personal, financial or other benefits, whether directly or indirectly, in order to establish or maintain business relations or other benefits with a third party. Furthermore, such benefits may not be accepted as a quid pro quo for preferential treatment by third parties.

Data protection

Protecting personal data is very important to us – in part because of our brands' online and app offerings. Our data protection guidelines are intended to ensure that we meet the requirements of data security and data protection when collecting, storing, processing and using personal data. That applies, in particular, in the context of the General Data Protection Regulation (GDPR) and German Federal Data Protection Act (Bundesdatenschutzgesetz – BDSG). Our data protection officer works towards compliance with data protection requirements, supports the further development of data protection measures and advises the specialist departments.

In 2019, more than 300 employees at our German locations received online data protection training. In 2021, we once again provided basic training on data protection and training on specific areas of focus for various departments.

As in previous years, there were no cases of complaints about violations of data privacy during the reporting period. There were also no thefts or losses of data in the reporting period.

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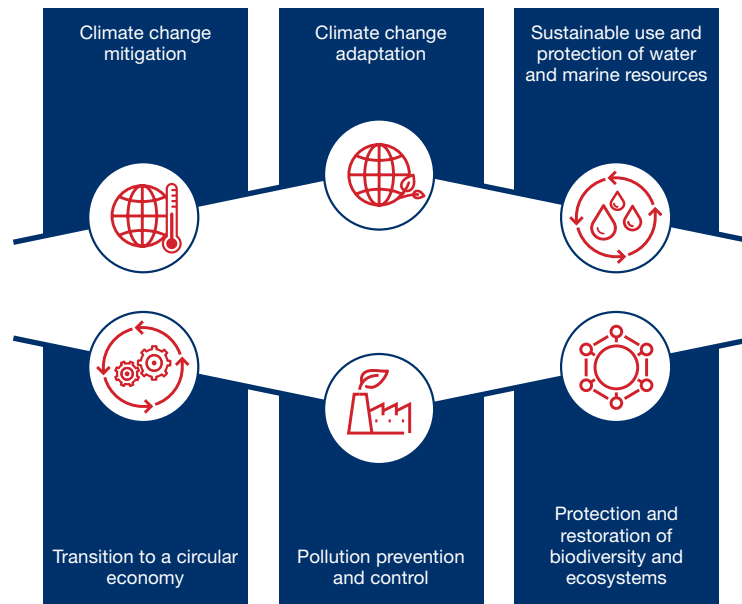
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Redirecting flows of capital toward sustainable investments is a key objective under the EU Action Plan on Sustainable Finance. Against this background, the EU Taxonomy Regulation (“Taxonomy Regulation”) entered into force in mid-2020, setting out a uniform and legally binding classification system under which economic activities are considered “environmentally sustainable” in the EU. Companies are obliged to report annually on the results of this classification. Article 9 of the Taxonomy Regulation identifies the following six environmental objectives:



The EU has now published rules on sustainable economic activities within the meaning of the EU taxonomy (“EU catalogue”) for two environmental objectives (climate change mitigation and climate change adaptation). The details provided in the delegated acts form the basis for determining which economic activities can be taken into consideration in principle.

With regard to the classification of an economic activity as “environmentally sustainable” under the EU taxonomy, it is necessary to distinguish between taxonomy eligibility and taxonomy alignment. The first step is to determine whether an economic activity is described in the delegated act and is therefore taxonomy-eligible. Only taxonomy-eligible economic activities can be considered “environmentally sustainable” if certain criteria are met. Accordingly, the second step is to evaluate whether the activity meets the technical screening criteria mentioned in order to be classified as taxonomy-aligned.

For the 2021 reporting period, the EU has simplified the rules and only requires information to be disclosed on the proportion of turnover, capital and operating expenditure accounted for by taxonomy-eligible and taxonomy-non-eligible economic activities. In principle, this analysis includes the turnover, capital and operating expenditure of all Group companies.

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The basis for capital expenditure is the property, plant and equipment and intangible assets acquired during the relevant financial year before depreciation, amortisation and impairment and any revaluations for the financial year, and excluding changes in fair value.

The basis for operating expenditure is direct, non-capitalised costs for research and development, building renovation measures, short-term leases, servicing and maintenance and all other direct expenditure for the ongoing maintenance of property, plant and equipment performed by the company or third parties as necessary to ensure the continuous and effective functioning of these assets.

Based on section 289b (1) in conjunction with section 315b of the German commercial code (HGB) and Article 8 of the Taxonomy Regulation, Leifheit AG is obliged to apply the rules of the Taxonomy Regulation. Pursuant to section 315e (1) HGB, the consolidated financial statements of the Leifheit Group as at 31 December 2021 were prepared in accordance with IFRS. Accordingly, the amounts used to calculate the turnover, capital expenditure (CapEx) and operating expenditure (OpEx) key indicators are based on the figures reported in the consolidated financial statements.

If economic activities of the Leifheit Group are reflected in the EU catalogue, they are regarded as taxonomy-eligible. Turnover, capital expenditure and operating expenditure associated with the economic activities in question can be classified as taxonomy-eligible.

Based on a full analysis of the economic activities, taxonomy-eligible turnover, CapEx and OpEx is reported as a proportion of the relevant totals for the Leifheit Group for financial year 2021.

Key indicators

Turnover

The turnover key indicator reflects the ratio of turnover from taxonomy-eligible economic activities in a financial year to total turnover for the financial year.

The Group's turnover for financial year 2021 of m€ 288.3 is used as the denominator for the turnover key indicator. This figure is reported in the Group's statement of profit or loss. > [Annual report](#)

The turnover for the Leifheit Group reported in the statement of profit or loss has been examined across all Group companies to determine whether it was generated with taxonomy-eligible economic activities pursuant to Annex I (substantial contribution to climate change mitigation) and Annex II (substantial contribution to climate change adaptation) to the Delegated Regulation supplementing Regulation (EU) 2020/852. Based on the rules as they currently stand, no relevant economic activities for the Leifheit Group were identified in the delegated acts. This means that no taxonomy-eligible turnover was generated.

CapEx

The CapEx key indicator represents the proportion of capital expenditure that is either associated with a taxonomy-eligible economic activity or a credible plan to expand or achieve an environmentally sustainable economic activity or relates to the purchase of products and services from a taxonomy-eligible economic activity.

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APPENDIX

The additions to property, plant and equipment and intangible assets in the amount of €m 7.3 can be found in the consolidated financial statements in the notes to the balance sheet. > **Annual report**. The figure is the denominator of the CapEx indicator.

An analysis with regard to taxonomy-eligibility and a comparison against Annex I (substantial contribution to climate change mitigation) and Annex II (substantial contribution to climate change adaptation) to the Delegated Regulation supplementing Regulation (EU) 2020/852 are performed on the basis of the project description of the property, plant and equipment and intangible assets acquired. The total property, plant and equipment and intangible assets acquired that reflect taxonomy-eligible capital expenditure is the numerator of the CapEx key indicator.

Based on the rules as they currently stand, significant taxonomy-eligible capital expenditure in the amount of k€ 1,440 was identified for the Leifheit Group. This capital expenditure is associated with the taxonomy-eligible economic activities described in the Delegated Regulation (Annex I/Annex II) under 3.6. "Manufacture of other low carbon technologies", 7.3, "Installation, maintenance and repair of energy efficiency equipment", and 8.1, "Data processing, hosting and related activities". The CapEx key indicator thus amounts to 20%.

CapEx key indicator

in k€	2021
Taxonomy-eligible activities	1,440
Taxonomy-non-eligible activities	5,822
Total	7,262
Proportion of taxonomy-eligible activities	20%

OpEx

The OpEx key indicator indicates the proportion of operating expenditure (OpEx) under the EU taxonomy that is associated with taxonomy-eligible economic activities, a CapEx plan as described above or the purchase of products from a taxonomy-eligible economic activity.

To calculate the denominator, the accounts reflecting the direct, non-capitalised expenditure on research and development, building renovation measures, short-term leases and servicing and maintenance were considered. This figure amounts to k€ 10,004.

To determine the numerator, the assets associated with the significant expenditure recorded in the aforementioned accounts are analysed with regard to their taxonomy-eligibility based on Annex I (substantial contribution to climate change mitigation) and Annex II (substantial contribution to climate change adaptation) to the Delegated Regulation supplementing Regulation (EU) 2020/852.

Based on the rules as they currently stand, no significant non-capitalised costs for research and development, building renovation measures, short-term leases or servicing and maintenance was identified for the Leifheit Group.

Starting in financial year 2022, even more detailed analysis will be required in order to meet specific criteria in respect of the identified economic activities. These criteria include not only an evaluation based on the alignment criteria, but also an assessment of whether the taxonomy-eligible economic activities make a substantial contribution to an environmental objective defined by the Taxonomy Regulation and whether no other environmental objective is significantly harmed. In addition, compliance with minimum social standards in accordance with the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, the ILO core labour standards and the International Bill of Human Rights must be ensured.

Information, disclaimer

Forward-looking statements

This report contains forward-looking statements which are based on the management's current estimates with regard to future developments. Such statements are subject to risks and uncertainties which are beyond Leifheit's ability to control or estimate precisely. They include, for example, statements on the future market environment and economic conditions, the behaviour of other market participants and government measures. If one of these uncertain or unforeseeable factors occurs or the assumptions on which these statements are based prove inaccurate, actual results could differ materially from the results cited explicitly or contained implicitly in these statements. Leifheit neither intends to, nor does it accept any specific obligation to, update forward-looking statements to reflect events or developments after the date of this report.

English translation

This is the English translation of the sustainability report. In the event of any discrepancies between this translation and the German version, the German version will take precedence.

Note on rounding

Minor differences may occur when using rounded amounts and percentages due to commercial rounding.

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