

Lenzing Aktiengesellschaft
Werkstraße 2
4860 Lenzing, Austria
www.lenzing.com

Phone +43 7672 701 2743
Fax +43 7672 918 2743
E-mail media@lenzing.com

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Lenzing looks to the future with green energy in Indonesia

- Recent transition to green electricity will significantly reduce annual carbon emissions
- Milestone in the transformation of production capacities to LENZING™ ECOVERO™ and VEOCEL™ branded specialty viscose

Purwakarta – The Lenzing Group, a world-leading provider of wood-based specialty fibers, is expanding its global clean electricity portfolio and transitioning its production site in Purwakarta to green electricity. The Indonesian subsidiary PT. South Pacific Viscose (SPV) has been using electricity generated solely from renewable sources since July this year, which will reduce its specific carbon emissions by 75,000 tonnes annually.

In 2019, Lenzing became the first fiber producer to set a target of halving its carbon emissions by 2030 and becoming climate neutral by 2050. This carbon reduction target has been recognized by the Science Based Targets Initiative. In Purwakarta, Lenzing is currently investing in the reduction of carbon emissions, as well as air and water emissions. Thanks to its EUR 100 million investment in this area, Lenzing is gradually transitioning its existing capacities for standard viscose to LENZING™ ECOVERO™ and VEOCEL™ branded specialty viscose.

“Demand for our wood-based, biodegradable specialty fibers is constantly rising. We see enormous growth potential, especially in Asia. The switch to green, renewable electricity marks a huge step forward in converting our Indonesian site into a specialty fiber supplier. This makes us better positioned to meet the growing demand for sustainably produced fibers,” comments Robert van de Kerkhof, Chief Commercial Officer for Fiber at Lenzing.

Boosting growth in specialty fibers

Man-made climate change is one of the most pressing problems of our time. The fashion industry has an extremely negative impact on the environment due to its fast fashion business model and the growing

consumption of fossil resources in textile production. LENZING™ ECOVERO™ viscose fibers (for textiles) and specialty viscose fibers under the VEOCEL™ brand with Eco Care technology (for nonwovens) generate 50 percent lower greenhouse gas emissions and water pollution compared to standard viscose.¹

Specialty fibers are Lenzing's key strength. The company aims to generate more than 75 percent of its fiber revenue from the wood-based, biodegradable specialty fibers business under the TENCEL™, LENZING™ ECOVERO™ and VEOCEL™ brands by 2024. With the launch of the lyocell plant in Thailand in March 2022 and the investments in existing production sites in Indonesia and China, the share of specialty fibers in Lenzing's fiber revenue is set to exceed the 75 percent target by a significant margin as early as 2023.

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Your contact for

Public Relations:

Dominic Köfner

Vice President Corporate Communications & Public Affairs
Lenzing Aktiengesellschaft
Werkstraße 2, 4860 Lenzing, Austria

Phone +43 7672 701 2743

E-mail media@lenzing.com

Web www.lenzing.com

Daniel Winkelmeier

Communications Manager
Lenzing Aktiengesellschaft
Werkstraße 2, 4860 Lenzing, Austria

Telefon +43 7672 701 2871

E-Mail media@lenzing.com

Web www.lenzing.com

¹ Higg MSI: This figure was calculated using the Higg Material Sustainability Index (Higg MSI) tools of The Sustainable Apparel Coalition. The Higg MSI tools assess the impact of materials according to the cradle to gate method for finished material (e.g. material that is ready to be integrated into a product). However, the results only reflect the impact of manufacturing up to fiber production.

About the Lenzing Group

The Lenzing Group stands for ecologically responsible production of specialty fibers made from the renewable raw material wood. As an innovation leader, Lenzing is a partner of global textile and nonwoven manufacturers and drives many new technological developments.

The Lenzing Group's high-quality fibers form the basis for a variety of textile applications ranging from elegant clothing to versatile denims and high-performance sports clothing. Due to their consistent high quality, their biodegradability and compostability Lenzing fibers are also highly suitable for hygiene products and agricultural applications.

The business model of the Lenzing Group goes far beyond that of a traditional fiber producer. Together with its customers and partners, Lenzing develops innovative products along the value chain, creating added value for consumers. The Lenzing Group strives for the efficient utilization and processing of all raw materials and offers solutions to help redirect the textile sector towards a closed-loop economy. In order to reduce the speed of global warming and to accomplish the targets of the Paris Climate Agreement and the "Green Deal" of the EU Commission, Lenzing has a clear vision: namely to make a zero-carbon future come true.

Key Facts & Figures Lenzing Group 2021

Revenue: EUR 2.19 bn

Nominal capacity: 1,145,000 tonnes

Number of employees (headcount): 7,958

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