

Press Release

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Lenzing Showcases New Sustainability Strategy on “World Earth Day”

Ref. kawa
Date 2017/04/21

- **Support of World Earth Day’s Canopy¹ Project with a donation of USD 27,000 that supports the planting of 27,000 trees**
- **Core strategy elements include the model of the circular economy and the “net benefit” concept**
- **Presentation of the new Sustainability Report of the Lenzing Group**

Lenzing – Lenzing AG, globally leading producer of wood-based cellulose fibers, presented its new sustainability strategy within the context of the “World Earth Day” organized by the worldwide Earth Day Network. Each year millions of people actively participate in Earth Day on April 22 and stand up for the preservation of a livable environment. In this connection, Lenzing donated a total of USD 27,000 to the Canopy project for its ongoing tree planting program. With this amount, Lenzing completes Earth Day Network’s ambitious target of raising USD 150,000 for Earth Day 2017 (earthday.org/trees). The United Nations estimate that for every dollar spent on reforestation, USD 2.50 is generated in local downstream income and benefits.

“We’re very grateful for Lenzing Group’s generous donation”, said Earth Day Network president Kathleen Rogers. “With the help of partners such as Lenzing, we’re not just planting trees, we’re also helping build sustainable communities in areas of the world most in need of reforestation.”

The new sustainability strategy „Naturally Positive“ of the Lenzing Group is the result of the new Group strategy sCore TEN adopted in the autumn of 2015. “The concept of sustainability is an integral feature of our Group strategy. This is because Lenzing is in the unique position to be able to operate a truly circular business model. We produce functional, aesthetic and emotional products by utilizing the raw material wood from CO₂ and sunlight”, says Stefan Doboczky, Chief Executive Officer of the Lenzing Group. “At the end of their useful lives, our fibers are biodegradable and thus once again serve as the basis for new plant growth.”

This model of the circular economy pervades the entire Lenzing sustainability strategy. It is based on the three “P” cornerstones, People – Planet – Profit. Crucial operational components being

¹ This organization is not identical with the NGO Canopy Planet Society who Lenzing collaborates with on wood sourcing.

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implemented include the sustainable procurement of wood and a responsible handling of water. The raw material wood is completely converted into valuable industrial raw materials and bioenergy at the biorefineries of the Lenzing Group. Largely closed chemical cycles ensure the environmentally compatible production of Lenzing™ fibers. Accordingly, more than 99 percent of the solvent used to manufacture TENCEL® fibers is recovered.

Other key aspects of the sustainability strategy applied by Lenzing are the decarbonization of production for the sake of improved climate protection as well as the promotion of sustainable innovations designed to replace resource-intensive, environmentally harmful products. Maintaining the required innovative strength is also a crucial element of the Group strategy sCore TEN.

This approach is complemented by a close cooperation with the value chain in order to jointly develop and implement systemic solutions. “That is why we closely work together with multi-stakeholder initiatives and actively support a range of NGOs devoted to propagating sustainability principles”, states Robert van de Kerkhof, Chief Commercial Officer of the Lenzing Group. “With this in mind, we are pursuing a policy oriented towards the long term which features transparency and mutual trust with all our stakeholders.”

Effective immediately, the “net benefit principle” comprises the new parameter Lenzing has introduced as an internal benchmark. It enables an objective assessment of products. The principle measures whether the product contributes added value to the environment and society as well as to Lenzing’s partners. In this regard, the additional benefit considered over the product’s entire life cycle must be considerably higher than other alternatives available on the marketplace. Examples of “net benefit” products manufactured by Lenzing are TENCEL® fibers, Modal COLOR® fibers or the new Refibra™ fibers made from recycled cotton scraps.

The new sustainability strategy is described in detail in the newly published Sustainability Report 2016, which is available now for downloading on the Lenzing Website (<http://www.lenzing.com/sustainability-reports>).

Canopy Project

Through the Canopy Project, Earth Day Network works on the ground with organizations worldwide that strengthen communities through tree planting. Using sapling and seed distribution, urban

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forestry, agroforestry, and tree care training, we have empowered rural and urban people alike to conserve, repair, and restore tree cover to their lands. This project has led to millions of trees being planted on six different continents. Considering the United Nations estimates that for every dollar spent on reforestation, USD 2.50 is generated in local downstream income and benefits.

Since 2016, The Canopy Project has taken on even broader significance. Now the important work of planting trees and improving lives around the world also supports Earth Day Network's Trees for the Earth campaign. Trees for the Earth was the first of five new, ambitious, and goal-oriented campaigns to be launched in the run up to Earth Day's 50th anniversary in 2020. Its goal: to plant 7.8 bn trees worldwide by 2020 – one for every person projected to be on earth.

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The Lenzing Group

The Lenzing Group is a world market leader headquartered in Austria, which operates production sites in all major markets as well as a worldwide network of sales and marketing offices. Lenzing supplies the global textile and nonwovens industry with high-quality, botanic cellulose fibers. Its portfolio ranges from dissolving wood pulp to standard and specialty cellulose fibers.

Lenzing's quality and innovative strength set global standards for cellulose fibers. With 79 years of experience in fiber production, the Lenzing Group is the only company in the world which is able to produce significant volumes of all three cellulose fiber generations – from the classic Lenzing Viscose® branded fibers to the Lenzing Modal® branded fibers and the TENCEL® lyocell fibers. In 2016 Lenzing introduced the Refibra™ branded recycling fiber, a product innovation based on recycled cotton scraps.

The Lenzing Group's success is based on consistent customer orientation combined with innovation, technology and quality leadership. Lenzing is committed to the principles of sustainable management with very high environmental standards and can underscore this commitment with numerous international sustainability certifications for its business processes as the most sustainable company in the sector. In addition to fibers, which form the core business, the Lenzing Group is also active to a lesser extent in the fields of engineering and plant construction.

Key Facts & Figures Lenzing Group 2016

Revenue: EUR 2.13 bn
Fiber sales volumes: 978,000 tons
Employees: 6,218

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