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# Lenzing Group's Sustainability Report for 2019 published

- First fiber producer to have an approved science-based target CO<sub>2</sub> neutrality by 2050
- Breakthrough in REFIBRA<sup>TM</sup> technology worn textiles can also be used as fiber raw material
- Pioneer in the introduction of blockchain technology for fiber recognition
- On track to meet all sustainability targets

Lenzing

Innovative by nature

Lenzing – Just ahead of the "Day of Forests" on March 21, which the FAO (Food and Agricultural Organization of the United Nations) introduced in the 1970s in response to global deforestation, the Lenzing Group presents its <u>Sustainability Report 2019</u>. This sets out how the company is actively dealing with the global challenges.

Lenzing produces fibers from the renewable raw material wood and is well known among its customers and partners in the global textile and nonwoven fabric industry for the clear position it takes as a sustainable producer. It is no accident that the new report is appearing on the International Day of Forests. Lenzing's sustainable practices in procurement, especially for wood and pulp, were once again ranked as leading in the 2019 reporting year (<u>Hot Button Report</u>).

### "Stand up! Against business as usual"

Under the motto "Stand up! Against business as usual", Lenzing emphasizes its wider responsibilities over and above its products. Business-as-usual scenarios have to be overcome, in particular for climate protection. With a science-based target, Lenzing is taking action to master the problems caused by climate change. The Lenzing Group is committed to reducing its greenhouse gas emissions per ton of product by 50 percent by 2030 (baseline: 2017). The Science Based Targets initiative has approved Lenzing's climate target as science-based.

"Climate change is the most daunting challenge humanity faces. By making the strategic commitment to be climate-neutral by 2050, we will contribute to reducing the speed of global warming and to accomplishing the targets of the Paris climate agreement. Despite the substantial investment that is necessary, we are convinced that this is not only a very responsible step but that it will also be a value-generating move", says Stefan



Doboczky, Chief Executive Officer of the Lenzing Group. "The big challenges of our day demand new answers. Lenzing is at the forefront in being part of the solution."

### Breakthrough in REFIBRA<sup>™</sup> technology

One of Lenzing's strategic principles under its "Naturally positive" sustainability strategy and a focus in the 2019 Sustainability Report is the circular economy – an area in which Lenzing makes significant contributions. To address the enormous textile waste challenges of industry and society, Lenzing has developed a unique recycling technology branded REFIBRA<sup>™</sup>. This technology enables garment production waste to be reprocessed into fibers. By recycling worn garments for the first time in the production of TENCEL<sup>™</sup> x REFIBRA<sup>™</sup> fibers, Lenzing achieved a further milestone in 2019 in establishing this pioneering technology in the global market.

"REFIBRA<sup>™</sup> combines the production technology of lyocell fibers, which are widely recognized as being the most environmentally responsible wood-based cellulosic fibers, with a closed-loop production process and the recycling of cotton materials", says Robert van de Kerkhof, Chief Commercial Officer of the Lenzing Group. "Lenzing's vision is to turn the recycling of textile waste into a common standard process like paper recycling. This includes recycling fabrics and garments made from Lenzing materials. We want Lenzing fibers produced with REFIBRA<sup>™</sup> technology to contain up to 50 percent of recycled materials", states van de Kerkhof.

### Transparency as the basis for transformation

Aside from climate protection and the efficient use of raw materials, transparency along the value chain also represents a huge challenge and, at the same time, forms the basis for greening the industry. Lenzing offers an innovative solution based on blockchain technology in cooperation with TextileGenesis<sup>™</sup>. This enables customers and consumers to trace the production of a garment back to the raw material by simply scanning a barcode. In 2019, Lenzing presented its first pilot project at the Hong Kong Fashion Summit.

### Sustainability targets

In its sustainability strategy, Lenzing has defined seven core areas in which it makes significant direct contributions to the attainment of several Sustainable Development Goals of the United Nations (SDGs). In those areas, Lenzing has set concrete, ambitious targets, and the Lenzing Group continued to work hard to achieve them in the reporting year.



Significant improvements were achieved in the following areas:

- 1.9 percent saving in specific primary energy consumption and 8 percent reduction in specific greenhouse gas emissions (base year in both cases: 2014)
- Reduction of about 30 percent in sulfur emissions from production
- Reduction of about 30 percent in sulfur dioxide emissions from energy production
- 7 percent reduction in specific water consumption compared to the baseline 2014
- Reduction in other waste water effluents

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#### 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 ladies 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.

#### Key Facts & Figures Lenzing Group 2019

Revenue: EUR 2.11 bn Nameplate capacity: 1,045,000 tons Employees: 7,036

TENCEL<sup>™</sup>, VEOCEL<sup>™</sup>, LENZING<sup>™</sup>, REFIBRA<sup>™</sup>, ECOVERO<sup>™</sup>, LENZING MODAL<sup>™</sup>, LENZING VISCOSE<sup>™</sup>, MICROMODAL<sup>™</sup> und PROMODAL<sup>™</sup> are trademarks of Lenzing AG.