

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 rated “sustainability champion” by MSCI ESG

Sub.: Lenzing ranks among the world’s top 6 percent in the industry after receiving an “AA” rating. This classification is a further testimony to Lenzing’s leading role in sustainability.

Lenzing – The Lenzing Group, the world’s leading supplier of wood-based specialty fibers, has received further recognition of its performance in sustainability. The prestigious rating agency MSCI has upgraded its rating for the Lenzing Group from “A” to “AA” as at September 2021. As a result, Lenzing ranks among the top 6 percent of companies rated in its peer group.

“We strongly believe that the fiber industry will have to change in order to meet the ecological and social demands of the future. The issue of sustainability has been firmly anchored in our strategy for many years and is fundamental to our commercial success. Lenzing is an absolute pioneer in this field and we will continue to be a role model in future”, says Thomas Obendrauf, Chief Financial Officer of the Lenzing Group.

The upgrade to the MSCI ESG rating will also lead to a reduction in Lenzing’s interest expense. Lenzing placed a bonded loan worth EUR 500 mn in November 2019, which is linked to its sustainability performance. In accordance with its commitment under the bonded loan placement, the company will donate the full amount of the interest expense saved thanks to the rating revision to a project it supports.

Vision of a zero-carbon future

The rating agency MSCI, whose rating determines the interest rate for the bonded loan, cited the company’s ambitious climate targets, its approach to promoting a circular economy and exceptionally good governance structure as the main reasons for the upgrade.

Lenzing is actively involved in tackling the problems arising from climate change by implementing its science-based targets. In 2019, Lenzing set the strategic goal of halving its greenhouse gas emissions per ton of product by 2030. Its vision for 2050 is to achieve climate neutrality. The implementation of two key projects in Brazil and

Thailand is an important milestone in this process, while the investments in its existing locations in Asia are also consistent with Lenzing's decarbonisation targets.

Another milestone in Lenzing's push to implement its ambitious climate and sustainability targets is its collaboration with Swedish pulp producer Södra. Both of these global market leaders, which have proactively engaged in promoting a circular economy in the fashion industry for many years, are pooling their resources to drive this issue forward and make a vital contribution to solving the problem of global textile waste.

Platinum status from EcoVadis

Lenzing has received multiple awards for its performance in 2021, especially in the field of sustainability. Its rating from EcoVadis with regard to corporate social responsibility is particularly outstanding. Having achieved platinum status for the first time, Lenzing ranks among the world's top 1 percent of companies evaluated based on their approach to the environment, fair working conditions and human rights, as well as ethics and sustainable procurement.

The not-for-profit environmental organization Carbon Disclosure Project (CDP) has also commended Lenzing's efforts to combat climate change once again. The listing on CDP's Supplier Engagement Leaderboard is attributable to the company's leading role in working with suppliers.

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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

Investor Relations:

Sébastien Knus

Vice President Capital Markets a.i.
Lenzing Aktiengesellschaft
Werkstraße 2, 4860 Lenzing, Austria

Phone +43 7672 701 3599

E-mail s.knus@lenzing.com

Web www.lenzing.com

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. 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 2020

Revenue: EUR 1.63 bn

Nameplate capacity: 1,045,000 tons

Employees: 7,358

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