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Date September 15, 2022

Lenzing also switches to green electricity at its Chinese site

- Gradual transition to green electricity will significantly reduce annual carbon emissions
- Milestone in the transformation of production capacities to TENCEL™ branded modal fibers

Nanjing – The Lenzing Group, a world-leading provider of wood-based specialty fibers, is continuing to expand its global clean electricity portfolio by gradually transitioning to green energy at its production site in Nanjing. This will enable its Chinese subsidiary Lenzing Nanjing Fibers to use electricity derived solely from renewable sources from 2023 onwards and reduce the site's carbon emissions by 100,000 tonnes annually. Lenzing only recently announced the transition to green electricity at its Indonesian production facility.

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 Nanjing, Lenzing is currently investing in cutting its carbon emissions and converting a standard viscose production line to 35,000 tonnes of TENCEL™ branded modal fibers. Thanks to this move, the Chinese site will exclusively produce eco-friendly specialty fibers.

“Demand for our wood-based, biodegradable specialty fibers is constantly rising. We see enormous growth potential, especially in Asia. Thanks to our investments in China and other Lenzing sites around the world, we will be better positioned to meet this growing demand in future. At the same time, we are continuing to make considerable progress towards achieving a carbon-free future and becoming a champion of circularity,” 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's sustainably produced specialty fibers under the TENCEL™ brand help its customers, especially brands and retailers, to reduce their global footprint immensely.

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 China and Indonesia, 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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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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