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“Advancing Circularity”: Lenzing presents its online Sustainability Report 2022

- Lenzing continues to drive the industry’s transition to circularity
- Lenzing is clearly on course to meet the group-wide carbon neutrality target
- Top ratings from CDP, MSCI, EcoVadis and Canopy: Lenzing receives multiple “sustainability champion” awards once again

Lenzing – The Lenzing Group, a world-leading provider of specialty fibers for the textile and nonwoven industries, has published its Sustainability Report 2022 today. The title of “Advancing Circularity” underlines the company’s efforts to drive forward the transformation from a linear to a circular business model in the textile and nonwoven industries. The report was produced in accordance with the standards of the Global Reporting Initiative (GRI) and the Austrian Sustainability and Diversity Improvement Act (NaDiVeG), and was audited by KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft.

“Sustainability is a core component of our business strategy. This report details our combined achievements in environmental, economic and social aspects and our continuous commitment to creating a future in which circularity is the norm. You are warmly invited to take a look at our Sustainability Report 2022 and share your thoughts with us,” says Robert van de Kerkhof, Member of the Managing Board at Lenzing Group.

New corporate strategy: “Better Growth”

A comprehensive review of the corporate strategy was also conducted in the reporting year. “Better Growth” was designed as a roadmap for the next five years with a focus on maintaining a leading role in the field of sustainable specialty fibers in an unpredictable economic environment. As a company, Lenzing has the dual aim of being commercially successful and providing a positive contribution to society. Consequently, Lenzing will continue to pursue its profitable growth path following the successful implementation of the two key projects in Thailand and Brazil, sharpen its focus on sustainable and high-quality premium fibers for textiles and nonwovens, and further advance the transition from a linear to a circular business model.

Aiming for a carbon-neutral future

Lenzing also made further progress in meeting its climate targets in the reporting year. The launch of the new lyocell plant in Prachinburi (Thailand) in March marked a key milestone on Lenzing's path to achieving net-zero emissions by 2050. The site is wholly powered by sustainable energy derived from biomass and is the largest of its kind in lyocell fiber production. Lenzing also began to convert its site in Nanjing (China) to green electricity in September. As of 2023, the site is almost entirely powered by green electricity, which will reduce carbon emissions by 100,000 tonnes annually.

The new pulp mill in Brazil, which feeds surplus bioenergy into the Brazilian grid, represents the largest investment that Lenzing has ever made in dissolving wood pulp supply for wood-based fiber production. This has led to further investments in sustainable plantations that provide the requisite raw materials. In 2023, 70,000 hectares of a sustainably managed plantation will be required to ensure stable production in the long term. Lenzing was already highly successful in this regard in 2022, achieving 57,000 hectares by the end of the year. This will allow Lenzing to make further progress in meeting its climate targets by minimizing the environmental risks involved in procuring raw materials.

The installation of the largest ground-mounted photovoltaic system in Upper Austria at the Lenzing site marked another strategic milestone for the company in October 2022. The system converts sunlight into electricity, which is one of the most cost-effective means of producing green energy. Lenzing also signed an electricity supply contract with the green electricity producer Eney and Energie Steiermark to construct another photovoltaic system in Styria, Austria. The electricity produced will begin supplying the Lenzing site at the end of 2023.

Lenzing remains a “sustainability champion”

Three global sustainability rating agencies recognized Lenzing's unwavering commitment to reducing its carbon footprint as well as its efforts to meet the United Nations' sustainable development goals in 2022.

Of the 15,000 companies scored worldwide by the non-profit organization CDP, Lenzing was one of only twelve to be awarded an A rating for environmentally responsible management in three categories (climate change, water security and forestry) in December 2022. MSCI confirmed the company's AA rating in the same month on the basis of its strong performance relative to the sector average.

EcoVadis awarded platinum status to Lenzing, ranking it among the top one percent of all companies rated worldwide in this sector. Its extensive evaluation recognized Lenzing's efforts in the four main areas of

corporate social responsibility, the environment, fair working conditions and human rights, ethics and sustainable procurement.

In addition, Lenzing took first place in Canopy's Hot Button ranking. The Canadian non-governmental organization assesses global producers of cellulosic fibers with regard to responsible wood and pulp procurement, innovation and traceability. Canopy's ranking also evaluates the companies' use of alternative commodities as well as their achievements in protecting ancient and endangered forests. The Hot Button ranking confirms that Lenzing's practices are sustainably anchored.

Lenzing also took second place in the Transformational Climate Change Solutions category of the Financial Times 2022 Transformational Business Awards. The highly efficient pulp mill of the LD Cellulose joint venture in Brazil received a special commendation for its contribution to a more sustainable textile industry by providing the necessary pulp to produce wood-based fibers.

For more information on the Lenzing Group's sustainability targets, progress and other prestigious awards for its sustainable products and services, please see the online Sustainability Report 2022 at reports.lenzing.com/sustainability-report/2022/index.html.

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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 2022

Revenue: EUR 2.57 bn

Nominal capacity (fibers): 1,145,000 tonnes

Number of employees (headcount): 8,301

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