

focus paper

United Nations Sustainable Development Goals (SDGs) Issue April 2023

Table of contents

The sustainability strategy of the Lenzing Group: "Naturally positive" 3

United Nations Sustainable Development Goals (SDGs) 4

Imprint..... 8



The sustainability strategy of the Lenzing Group: "Naturally positive"

"Naturally positive", the Lenzing Group's sustainability strategy, was developed from the results of the materiality analysis and is firmly rooted in the Lenzing Group's strategy "Better Growth". Within the dimensions of People – Planet – Profit, the sustainability strategy defines those sustainability areas where Lenzing can do most to create a more sustainable world. It is the basis for Lenzing's approach to contributing to the United Nations' Sustainable Development Goals (SDGs).





Figure 1: Strategic focus areas of sustainability and the corresponding SDGs

United Nations Sustainable Development Goals (SDGs)





The SDGs are a collection of 17 goals adopted by all Member States of the United Nations in 2015 to address global economic, social and environmental challenges and achieve a more sustainable future by 2030. Progress is being made in many areas but with just 10 years left to go, the UN is calling for a 'Decade of Action' to accelerate sustainable solutions and to address the world's biggest challenges.





While the COVID-19 pandemic slowed down progress in achieving the SDGs, it also strengthened public awareness that we are all in this together. The global community has learned from the challenges and the successes of the pandemic, reinforcing the efforts towards achieving the SDGs. To get the promises of the SDGs back on track, the world needs to act decisively and show international solidarity. A top priority is to ensure sustainable, inclusive and equitable recovery efforts.

The company recognizes its responsibility and sees its pioneering role in the textile and nonwovens industries as an opportunity to contribute to the achievement of sustainable development goals. Lenzing has identified the following SDGs to which it can make the biggest contribution:

SDG	Goal	Lenzing's action
	End poverty in all its forms everywhere.	<p>One example of Lenzing's contribution to SDG 1 is a social impact project in Albania in cooperation with the Austrian Development Agency (ADA). This project aims to support the development of certain rural areas by using natural resources in a sustainable manner as well as fostering alternative income opportunities for the communities.</p> <p>Part of the project is the afforestation of 20 ha of degraded land. This area surrounds the so called Eco-Social Farm, an institution for people with disabilities. As part of the project, a collaboration with Eco-Social Farm has been set up to employ people who would not have the opportunity to get a job in the normal labor market. Read more about the project here: Trees for Albania – Corporate Sustainability Update (lenzing.com) and in the focus paper "Social responsibility".</p>
	Ensure healthy lives and promote well-being for all at all ages.	<p>Lenzing provides employees at all production sites with an in-house primary care system that complements the existing local health systems. Furthermore, the company uses medical partners in the regions around the sites to offer its employees a diagnosis and therapy service tailored to the site's size and local needs. For more information, please see the focus paper "Social responsibility".</p>

	<p>Achieve gender equality and empower all women and girls</p>	<p>Diversity, Respect and inclusion are the fundamental pillars of the Lenzing's Better Growth corporate strategy.</p> <p>That's why the diversity program was adopted on February 19, 2018. These rules are taken into consideration in staffing positions on the Supervisory and Managing Boards and are principles applied more broadly in the overall recruitment process. It is in the interest of the group to further grow diversity with respect to experience, cultural background and gender. As a result, Compared to 2020, the number of female managers increased by 21 percent in 2021. In addition, the total number of female employees increased by almost 14 percent, twice the rate of growth of male employees.</p> <p>Furthermore, the Lenzing Group implemented a Policy on Human Rights and Labor Standards, which respects and supports fundamental labor rights principles especially protection from harassment and discrimination towards women.</p> <p>Lenzing also initiated a review to enable greater diversity in its workforce especially in relation to gender equality. The company conducted in November 2021 three focus groups across the company to face the challenges in achieving a more balanced gender representation the efforts are continued at Lenzing with the support of the founded social sustainability unit.</p>
	<p>Ensure availability and sustainable management of water and sanitation for all.</p>	<p>The production of dissolving wood pulp and fiber entails water consumption and emissions to water. Water stewardship is therefore one of the focus areas of Lenzing's sustainability strategy. Lenzing gives consideration to water-related issues in the upstream and downstream value chain of its products. The Lenzing Group aims to contribute to the sustainable use of water wherever it can exercise its influence either directly or indirectly.</p> <p>One of Lenzing's target in water stewardship is to improve the specific wastewater emissions (COD) by 20 percent by 2024. Due to the current global situation, with the war against Ukraine, a shortage of semiconductors and China lockdowns, several shipments from Europe and Asia have been delayed. Weather conditions in Purwakarta with heavy and frequent rainfall, are also impacting the construction activities. The start-up is planned for the first half of 2023. In Grimsby, the Membrane Bio Reactor (MBR) route for the wastewater treatment plant was selected. The pilot plant, proving trials and designs have been completed. It is on track for commissioning and operation in the second half of 2024.</p>
	<p>Ensure access to affordable, reliable, sustainable and modern energy for all.</p>	<p>Pulp and fiber production are energy-intensive processes. Lenzing contributes to SDG 7 by improving energy efficiency, using energy conversion technologies for heat and electricity, employing renewable fuels, switching from coal to natural gas and implementing its biorefinery concept.</p> <p>Dissolving wood pulp production in Lenzing's biorefineries at the Lenzing (Austria), Paskov (Czech Republic) and Indianópolis (Brazil) sites is not only self-sufficient in terms of covering its own energy needs, as it actually produces surplus energy. This surplus energy (steam and electricity) is used on-site for purposes such as fiber production or exports to the local grid. Lenzing relies on renewable energy for new investments within the framework of the science-based target.</p>

	<p>Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.</p>	<p>The Lenzing Group makes a major contribution to strengthening the economy in the regions where it operates by creating jobs. The public sector benefits in the form of tax revenues and social security contributions. For more information, please see the “Human rights & fair labour practices” chapter in the latest Sustainability report.</p> <p>One of Lenzing's priorities is to ensure sustainable production patterns (SDG 12) in order to promote sustainable economic growth.</p>
	<p>Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.</p>	<p>Innovation and sustainability are at the heart of Lenzing’s “Better Growth” strategy. Every innovation, whether it relates to processes, products, or applications, is evaluated from the very beginning in terms of sustainability. At Lenzing, innovation is driven by sustainable thinking and giving due regard to both the life-cycle perspective and the net-benefit principle.</p> <p>Sustainable innovations include the continuous improvement of Lenzing’s existing technologies and processes as well as driving systemic change through forward-looking solutions and business models on a large scale.</p> <p>Limited resources are driving solutions to create a circular economy. Lenzing is continuously innovating to contribute to a resilient and circular industry. For more information, please see Lenzing’s circular economy vision in the latest sustainability report.</p>
	<p>Reduce inequality within and among countries</p>	<p>In the Lenzing Group’s Policy on Human Rights and Labor Standards Lenzing undertakes to respect and support fundamental labor rights principles such as protection from discrimination, harassment, and inhumane treatment. This encompasses protection against employment decisions based on personal characteristics or beliefs that are not related to the ability to do one’s job, including gender, age, race, color, national origin, ethnicity, social background, sexual orientation, family responsibility (including pregnancy), disabilities, political opinion, sensitive medical conditions, marital status, and any other discrimination in working conditions. For more information, please see the “Human rights & fair Labour practices” chapter in the latest sustainability report.</p>
	<p>Make cities and human settlements inclusive, safe, resilient and sustainable</p>	<p>Lenzing has been operating on the Indonesian island of Java for more than three decades via its subsidiary PT. South Pacific Viscose in Purwakarta. In all these years, Lenzing has not only established itself as an important employer, but has also gained societal acceptance by supporting a wide range of local social activities. For example building an eco-village with the intention to create an ecosystem in which rural or urban communities consciously and collaboratively design low-impact ways of life to regenerate and restore their social and natural environments. At the same time, it enables the inhabitants to improve their own living conditions and find sustainable solutions to alleviate poverty and strengthen their independence. The residents take various actions, such as permanent agro-culture, ecological buildings, green production, alternative energy production and community empowerment.</p>

	<p>Ensure sustainable consumption and production patterns.</p>	<p>In the spirit of a circular economy, Lenzing aims to achieve sustainable production methods through sustainable sourcing, the efficient use of wood as a raw material and efficient and sustainable production, e.g. through the implementation of its biorefinery concept at the Lenzing, Paskov and Indianópolis sites.</p> <p>Upcycling techniques are included in the production process (REFIBRA™ and Eco Cycle technology). Life cycle-based thinking and partnerships with stakeholders along the value chain contribute to a more sustainable consumption approach.</p>
	<p>Take urgent action to combat climate change and its impacts.</p>	<p>By setting a science-based target, Lenzing is taking action to tackle climate change-related problems. Lenzing has committed to reducing greenhouse gas emissions per ton of product by 50 percent by 2030 compared to a 2017 baseline and net-zero CO₂ emissions by 2050.</p> <p>The Science Based Targets (SBT) initiative has scientifically validated Lenzing's climate target, confirming that it is in line with the Paris Agreement's central goal of limiting the rise in global temperatures to 2 degrees Celsius this century and pursuing efforts to limit the temperature increase even further. For more information about the SBT, please see the "Climate & energy" chapter in the latest sustainability report.</p> <p>Furthermore, in 2018 the Lenzing Group became a member of the CEO Climate Leaders Group of the World Economic Forum and a signatory to the United Nations Fashion Industry Charter for Climate Action.</p>
	<p>Conserve and sustainably use the world's oceans, seas and marine resources for sustainable development.</p>	<p>In a study published in October 2021, scientists from the prestigious academic research institute Scripps Institution of Oceanography (SIO) at the University of California, San Diego confirmed that generic LENZING™ wood-based cellulosic fibers biodegrade in the ocean within a short period of time at the end of their life cycle, making them a better alternative to fossil-based fibers. The research was the result of an independent project aimed at attempting to understand the "end-of-life" scenarios for textiles and nonwovens discarded in the environment.</p>
	<p>Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss.</p>	<p>Lenzing contributes towards SDG 15 with its longstanding practice of responsible sourcing, in particular with regard to its main raw material, wood. Lenzing strictly complies with its Wood and Pulp policy and sources only from sustainably managed forests and plantations.</p> <p>Lenzing supports biodiversity projects and aims to broaden its biodiversity efforts. For biodiversity concepts and practices used within Lenzing, please visit the "Biodiversity" focus paper". For long-term projects, please see the "Social responsibility" focus paper.</p>



Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions

Lenzing implements and annually updates the Facility Social Labor Module (FSLM) at all pulp and fiber production facilities and shares verified modules with customers from 2024 onwards. FSLM certification of all sites is done based on the Social & Labor Convergence Program (SLCP) assessment. SLCP verified data supports stakeholders to assess legal compliance, promoting the rule of law at the national and international levels (SDG 16). For more information, please see the table "Sustainability targets, measures and progress" in chapter "Managing sustainability" of the latest sustainability report.



Strengthen the means of implementation and revitalize the global partnership for sustainable development.

Guided by the United Nations Sustainable Development Goal SDG 17 and having implemented "Partnering for systemic change" as a focus area, Lenzing acknowledges that complex global challenges call for a collaborative approach. The Lenzing Group therefore regularly engages with a wide range of stakeholders and business partners along the value chain in order to help raise the bar as regards sustainability in the textile and nonwovens industries.

For more information, please see the focus paper on "[Stakeholder engagement](#)".

Imprint

Lenzing Group

United Nations Sustainable Development Goals (SDG's) focus paper - Issue April 2023

Inquiries to: sustainability@lenzing.com